FINANCIAL TIMES, November 25, 1971

FINANCIAL TIMES

No. 25,614 Thursday November 25 1971 ** 6p

News Summary

iodesia: details terms to-day

ias agreed terms for a it with Rhodesian Pre- iith which should give legal independence few months, thus end- six years of constitu- ispute since Rhodesia UDI.

lely-predicted announce- t terms had been agreed jointly in Salisbury by Douglas-Home and Mr.

the proposals would be ed to the Rhodesian rough a test of accept- hich will be organised is possible." Details of secret proposals will be multaneously to both nts this afternoon.

iin principles'

ing to one British in, the terms are "fully the five principles." Sir Alec made no com- He was leaving im- for an expected return lon very early this

nith, however, said he the settlement was a , but his only answer iked how long before rule was a smile and shrug.

British spokesman said iments had been signed, vering the settlement s, the other being an exchange of letters "on certain financial matters."

It was clear, however, that there must be a number of stages to go through before sanctions can be lifted and independence granted.

News of the settlement was greeted with some euphoria by Salisbury's whites, although the Centre Party warned that what was needed really was an internal settlement bringing the races into harmony. African Nationalist, church and other non-white political groupings also reacted with some caution, preferring to save comment until the terms are known.

Market rise

Hectic trading at rising prices developed in Southern Rhodesian bonds n London. Opening prices were promptly hoisted by £20. Dealing spreads, usually around £5, were widened to £20 before narrowing later.

Initial gains were pared by £5, but in an active two-way trade prices moved ahead to close with gains to as much as £30.

The 2½ per cent., 1965-70, issue marked at extremes of £60 and £80 before ending with a net rise of £25 at £73: this compares with a "low" of £26 earlier this year. The 5 per cent., 1975-80 stock closed £30 up at £65, while the 3½ per cent., 1967-69, rose £24 to £74 and the 4½ per cent., 1987-92, put on £27 to £65.

Back Page; Pages 8, 20

IAL

kistan lls up ervists

remier, Mrs. Gandhi, in- yesterday that Indian would not be allowed ie East Pakistan border n self-defence. In Paki- reservists and soldiers were ordered to report immediately.

ssing the New Delhi ent, Mrs. Gandhi also d that 13 Pakistani tanks n destroyed on Monday ult of further "defensive by Indian troops.

ndon, the Commons was Heath was in "close ontinuing" touch with nd Pakistan. No injury ish citizens or property n reported. Pages 8, 9

k rates on cargoes to and ast Pakistan were raised lly. Page 21

mited fines polluters

ed fines, or imprisonment, available as punishments most serious pollution s after the present review alties is completed, En- ent Secretary Walker told mmons. He expected the to be completed soon.

lier killed

ldier was killed and two injured when a bomb d in a car showroom at , Co. Armagh.

ce pair jailed

is police sergeant and a police inspector were after being found guilty ulting Nigerian vagrant Oluwale. Geoffrey Eller- , the ex-inspector, was for three years and Sgt. h Mark Kitching, 49, for iths.

ny attack

n Kenneth Asher, 22, who d London bunny girl a Drabczyk in a Reading was jailed for six years. nitted assaulting her and sexual intercourse with- r consent.

fly . . .

ouglas Taylor, the CBI's director-general, died long illness. Page 28

it sex scenes and bad ge still upset the public han anything else on TV, ing to an ITA survey. one in 20 surveyed found scenes distasteful.

Littlewoods pools winners d £495,621.

sport: Stig Blomqvist 96 V4) was reported pro- il RAC rally winner.

g: Larry Middleton of the eat Britain's Joe Bugner.

BUSINESS

Bank acts on £ again

● GILTS found renewed strength with widespread gains of up to £1. Their index rose 0.44 to 81.02, its highest since May, 1967.

● LONDON EQUITIES closed 0.7 down at 427.2 after touching 430.6, only 0.2 off its high for the year. The market was nervous ahead of to-day's Bank Rate decision and ICI's third quarter statement.

● GOLD closed 10c up at $43.40, its highest since August.

● WALL STREET'S index closed at 798.63, up 0.66.

● THE BANK of England again intervened in the foreign exchange market to prevent sterling rising above $2.4940, and the rate closed at $2.4936, having been higher for most of the day. The dollar weakened in most centres ahead of next week's Group of Ten meeting in Rome. The French commercial franc rose above its ceiling of Frs.5.51¼ to close at Frs.5.51[illegible]. Reuter's index of the effective revaluation of ten key non-dollar currencies hit a new high of 7.6 per cent.

Dearer car premiums

● NORWICH UNION is to increase car insurance premiums for its 500,000 policyholders by 15 per cent. from January 1. Page 17

● GO-AHEAD was given by the Government for Occidental's £40m.-£50m., 6m. tons-a-year oil refinery on Canvey Island. Joint application by Murco and ENI to build a plant nearby was turned down.

● RICHARD COSTAIN and Hanson Trust are planning a merger through a new holding company. Back Page

● ARTHUR BELL AND SONS' offer for sale of 2.5m. 50p shares at 130p brought in £56.5m. With preferential forms for employees of 86,900 shares, total applications amounted to 43.36m. shares, which will go to ballot. Page 22

● SOUNDINGS are being made by EEC on fishery limits for U.K. and three other candidates for membership. Offer is six-mile limits with 12 miles in special areas. Page 17

● PRETORIA is to cut imports by up to 80 per cent. of 1969 level in face of worsening S. Africa balance of payments.

Crowther replaced by Thorneycroft at THF

BY ARTHUR SANDLES

LORD CROWTHER was last night replaced as chairman of Trust Houses Forte by Lord Thorneycroft. Sir Charles Forte is thus now firmly in control of the Trust Houses Forte Board and intends to reject the £132m. bid by Allied Breweries.

The showdown on the deeply divided THF Board came after two weeks of bitter dispute, much of it in public. After the meeting a curt statement from THF headquarters said: "At a Trust Houses Forte Board meeting to-day Lord Thorneycroft was appointed chairman of the company in place of Lord Crowther."

After the meeting Lord Crowther said he had been removed from the chair and is to be removed from the boards of al subsidiaries. It was a decision "resisted by all my Trust House colleagues for whose support I am grateful." He made it quite clear that the move had been anticipated. "I have been *expecting this for a long time.*"

"I told the council (the Trust which controls half the THF voting stock) as long ago as last July that I would be the next to be removed. Nor shall I be the last."

The Forte side of the THF Board decided to attempt the replacement of Lord Crowther as chairman last week. Lord Crowther's public criticism of Sir Charles' business methods a few days ago made the action inevitable in the eyes of the Forte camp. The Allied bid made it urgent and crucial.

Last night the Forte side was celebrating the fact that it had "cleared the decks." After the meeting Lord Thorneycroft said he was "not now concerned to argue the issues which for some time divided the Board." He went on to say: "It appears to me that the interest of the share-*holders will be best served by* enabling the executives to concentrate, as they now can, upon the management of the business.

"THF possesses great resources," he argued. "Not simply in the form of its fixed assets, which are considerable, but also in the shape of able and experienced management working under the leadership of one of the most experienced and able managers in this field.

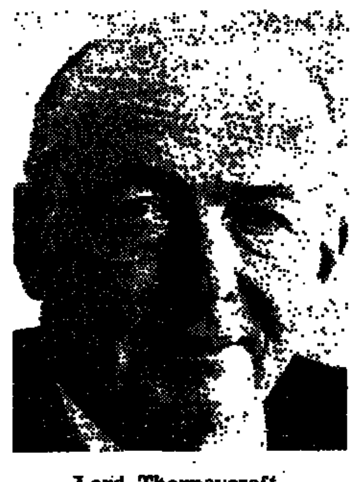
"Many of our employees have devoted their lives to the service of the various activities within the company and are rightly proud of the reputation which they have established and will I am confident maintain. The interests of shareholders will be best served if we create the conditions in which these managers and men and women can make their full contribution to a common purpose.

"As chairman of this company I see our task not in searching, as some have suggested, for ways to divide the company up, and certainly not in seeking to merge it on terms below its real worth, and even further below its real potential worth, with yet another company still struggling to adjust itself to relatively recent merging.

"Our task is to weld together a united management team serving a single integrated company in which each part is making its maximum contribution to the whole. We are now free to do just this, and from what I know of the men I work with I am confident of success."

It was a day for new chairmen. The Trust Houses council, whose 50 per cent. voting power in THF means that Allied must have its support, met earlier in the day and elected Mr. Hugh Astor (aged 51) to the chair, with Lord Bridgeman as deputy chairman. The Allied bid was not officially considered, and certainly not any reaction to it.

"I think we would want to fol-*low the Board,*" *said Mr. Astor* afterwards. "Although we would, of course, have to observe the requirements of the Trust deed." Mr. Astor succeeds the late Lord Hacking.



Lord Thorneycroft

Lord Crowther

The abruptness of the official THF statement after the directors met indicates the bitterness of feeling between the two sides. Nor is the conflict necessarily over. There are men on the THF Board as fiercely loyal to Lord Crowther as there are others devoted to Sir Charles Forte.

The Board cannot remove directors from its number, and thus Sir Charles still faces a vocal and antogonistic opposition The possibility of a lively shareholders' meeting in the not too distant future now becomes a likelihood.

Ken Gooding writes:—

Meanwhile Allied Breweries has already spent about £1.3m. on THF shares since announcing its bid terms on Tuesday morning—thus establishing a fairly aggressive attitude from the start of what promises to be a pro-*longed bid battle.*

On Tuesday Allied's advisers N. M. Rothschild bought 315,000 THF shares at an average of 162½p each, and yesterday they added another 500,000 or so at prices up to 165p. These purchases represent a little over 1 per cent. of the THF issued capital.

While the Allied share price remained stable yesterday, that of THF at one stage managed to show a small premium over the bid value, but after a strong statement from Mr. G. B. "Joe" Thorley, Allied's chairman, they ended the day down 2p at 163p.

In his statement Mr. Thorley maintained that Allied would want "a lot of convincing" before even considering increasing its terms.

Referring to the Forte camp's insistence that nothing less than 200p a share would be considered, Mr. Thorley commented: "If Sir Charles is saying the company is worth 200p a share he is going to have a hell of a job justifying it. I don't think it is worth that, and I don't think *anyone else does.*"

Scenes outside Commons

17 arrested during jobless protest

BY JOHN ELLIOTT, LABOUR EDITOR

POLICE arrested 17 people outside the House of Commons last night after a clash with TUC unemployment demonstrators in which a police horse was knocked over and cars were damaged.

The arrests brought an immediate protest from Labour MPs *who accused the police of preventing their constituents* coming into the House to discuss unemployment.

Mr. Arthur Lewis, Labour MP for West Ham, was involved in a scene on the steps into Westminster Hall. Police were taking away a man in a red shirt when *Mr. Lewis shouted: "Let that* man go! Let him go—I'm a Member of Parliament!"

Still shouting, he added: "I want to speak to him. You can't take him if I say so." An inspector was called and told Mr. Lewis that the man was being arrested.

Later, *in the Commons,* Mr. Lewis made an angry protest, which was supported by other Members.

Marches

The TUC march brought out 10,000 demonstrators in London and thousands more in marches through other major cities.

Some 85,000 workers in various industries including docks, engineering and construction, took part in stop-work demonstrations. Worst hit were London and Liverpool docks. There were mass marches in several other cities.

The day's demonstrations ended with a TUC rally in Central Hall, Westminster, at which Mr. Vic Feather dismissed the Government's new £185m. plan to boost employment as a "jumbled assortment of increases in Government expenditure" which would have a "zero effect this winter."

Several speakers were booed and shouted down by hecklers shouting "General Strike!" and "All you do is talk."

During the afternoon, while delegations lobbied MPs Mr. Feather, and two other TUC leaders, Mr. George Smith and Sir Sidney Greene, had talks in Westminster with Mr. Anthony Barber, the Chancellor of the Exchequer, Mr. Robert Carr, Secretary for Employment, and Mr. John Davies, Secretary for Trade and Industry. Later they met Mr. *Harold Wilson and other mem*bers of the Shadow Cabinet.

Hard-hitting

In a hard-hitting speech at Central Hall, Mr. Feather attacked the Government's "calamitous economic and social policies" and added that trade unionists knew who to blame for unemployment nearing the 1m. mark.

"The blame is not higher wages, or the weather, or the world situation," he declared. "The fault lies with the Government, in the policies of the Cabinet, in the astonishing admission of the Chancellor that the Government's forecasting had gone wrong.

"For this, if he had been the chairman of a City company, he would have been sacked. And if any City company had produced such a prospectus as put this Government in office, the directors of that company by now would have been charged with false pretences."

He condemned the Government for its "obstinate, arrogant Tory administration and incompetence" and said: "In the short space of 18 months this *Government has pushed the* people back almost 40 years, almost into the days of Jarrow." No one, he added, gave the Government a mandate for 1m. unemployed.

The London march, from Tower Hill through the City to a point near Westminster *(taking 40 minutes to pass the* Financial Times' building) caused considerable traffic congestion. Banners attacking the Government's unemployment record read: "General strike—Tories out" and "Sack Heath, not the workers."

Continued on Back Page

Nixon and Pompidou to meet

BY ROBERT MAUTHNER

PARIS, Nov. 24.

PRESIDENT Nixon and President Pompidou will meet in the Azores on December 13 and 14 for wide-ranging talks on current world problems and Franco-American relations, it was officially announced here to-day.

The meeting, news of which came as a complete surprise in Paris, was proposed by President Nixon. "Before his visits to Peking and Moscow Mr. Nixon expressed the desire to examine the international situation with the French President," a statement issued by the Elysée Palace said.

The Portuguese Azores Islands have apparently been chosen for their geographical location midway between Paris and Washington and also, as French officials emphasised, because they are "*neutral ground*," which means that the meeting will not take place on the U.S. air base in the Azores.

Although the Elysée Palace declined to elaborate on the rea-*sons behind the meeting*, it is clear that the need to find a speedy solution to the international monetary crisis was President Nixon's main motive for proposing the talks.

The timing of the meeting is certainly significant. It will take place less than two weeks after the important conference of the Group of Ten in Rome and the subsequent summit meeting between President Pompidou and Herr Willy Brandt, the West German Chancellor, in Paris on December 3 and 4.

President Nixon may consider that, after the Group of Ten meeting and the talks between President Pompidou and Herr Brandt, the situation will have become sufficiently clarified to allow the remaining difficulties to be ironed out in his talks with the French President.

Last chance

A more likely explanation for the meeting, however, is that the Americans are now convinced that very little will be achieved in Rome and that they see the talks between the two presidents *in the Azores as a last chance of* patching up the monetary quarrel.

The American and French leaders certainly appear to have established a friendly personal relationship at their previous meetings.

But international monetary and economic problems will not be the only item on the agenda of the Azores meeting. The two presidents are also due to discuss other important world problems such as the Middle East, Vietnam, the proposed European security conference and mutual and balanced force reductions in Central Europe, to which France has all along been opposed because they would involve bloc-to-bloc negotiations between NATO and the Warsaw Pact.

In this context it is expected that President Pompidou will give Mr. Nixon an account of his conversations with Mr. Leonid Brezhnev, the Soviet party leader, during the latter's recent official visit to France.

It is reliably understood that the official French delegation which will accompany President Pompidou to the Azores will include M. Maurice Schumann, *Foreign Minister*, and M. Valery Giscard d'Estaing, Finance Minister—another indication of *the important place* which monetary problems will have in the talks.

In Washington, Mr. Paul Volcker, U.S. Treasury Under-Secretary for monetary affairs, said he did not expect the meeting of the Group of Ten would see an interim settlement.

Mr. Volcker also dismissed the possibility that U.S. would agree to devalue the dollar against gold as part of a package realignment.

Nixon may also see Heath

By Philip Rawstorne

MR. HEATH is expected to meet President Nixon next month to discuss various international questions before the President's visits to China and the Soviet Union.

A Downing Street spokesman said last night that he was unable "at present" to confirm that a meeting had been arranged. But there were widespread reports that President Nixon as well as meeting President Pompidou, intended to have talks with Mr. Heath and other European leaders before the end of the year.

Tighter controls on charter flights

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE Government is to tighten the enforcement of regulations governing charter travel by air, in order to cut down the volume of abuse, while it seeks changes in the international rules aimed at making this kind of travel easier for all.

Announcing the changes yesterday, Mr. Michael Noble, Minister for Trade, said one change under consideration was the possibility of making charter *flights available under the* "advanced purchase" concept.

On that basis, he suggested, anybody would be able to obtain a low-cost flight who booked his ticket a certain period ahead, without needing to join a group of any kind, as the present rules require.

He accepted that the present rules relating to affinity groups were objectionable in themselves, and difficult to enforce, which was why the U.K. was seeking some change.

Discussion

"These proposals and other ideas are still under discussion with other countries, and it will not be possible to give precise details until our talks have been completed.

"I cannot say whether we shall be able to introduce new arrange-*ments during 1972, although I* should like to. I hope, however, *to make a further statement* in the New Year."

In the meantime, said Mr. Noble, the DTI was bringing in tougher measures to curb the increasing disregard of the existing regulations. The widespread abuse that had been taking place could not be allowed to continue.

"To this end, provision has been made in Section 26 of the Civil Aviation Act, 1971, for the licensing of air travel organisers, and arrangements for this will be *introduced as soon as possible* after the new Civil Aviation Authority comes into operation next spring.

"A major obstacle to effective control is the fact that the class of air service licence, known as an E licence, under which affinity groups are usually carried, is of a general character and does not provide for the prior scrutiny of the groups.

"The Air Transport Licensing Board has now decided to add a condition to these licences to be issued for 1972, under which the airlines will be required to submit, three months in advance, particulars of all the groups they propose to carry between points more than 2,250 miles apart.

"The Licensing Board will then ask the airlines to apply for specific licences in respect of any groups about whose qualifications the Board are in doubt, so that any such case may be fully examined. The carriage of such a group under an E licence would be regarded by the Board as grounds for considering revocation of that licence."

Arbitrary

The DTI would help the Licensing Board in the scrutiny of the groups. Meantime, the DTI was increasing the number of inspectors available to conduct spot checks of groups at airports, as has been done on several occasions this summer. "An airline which breaches the rules will risk prosecution as well as the loss of its E licence," said Mr. Noble

ON OTHER PAGES

PRICE CHANGES

(Prices in pence unless otherwise stated)

RISES:

uer 6¼% 1976	£102[illegible]	+ ¼
ry 8¾% 1997	£106¼	+ 1
m Invs.	185	+ 11
ys Bank	590	+ 8
	242	+ 10
ar Auctions	108	+ 3
Asbeston	167	+ 12
n. (R.)	234	+ 15
Felixstowe Dock	224	+ 12
Fenchurch Ins.	90	+ 8
Greenwood & Batley	53	+ 7
Hambros	323	+ 11
Kniton Invs.	135	+ 7½
Liverp'l Grain Stor.	180	+ 35
Lotus	76	+ 6
Minet Holdings	330	+ 10
Powell Duffryn	149	+ 12
Scottish Met. Prop.	131	+ 12
Stocklake Holdings	153	+ 8
Taylor Woodrow	309	+ 9
Town & Com. Prop.	145	+ 8½
Turner & Newall	175	+ 9
Wilson Connolly	135	+ 10
Burmah Oil	390	+ 12
Anglo American	228	+ 4
Buffels	183	+ 3
Globe & Phoenix	106	+ 20
Messina	190	+ 12
New Broken Hill	235	+ 10
Palabora	285	+ 10
Selection Trust	440	+ 15
West Wits	575	+ 35

FALLS:

Bryanston Finance	70	− 5¼
Cory (Wm.)	326	− 34
Giltspur Inv.	168	− 6
Hill (Wm.)	139	− 6
House of Fraser	203	− 5
Maple	118	− 10
National Carbonis'g	130	− 6
Ocean Steam	129	− 4

U.K. DAILY STOCK INDICES

FINANCIAL TIMES

	Nov. 24	Nov. 23	Yr ago
Govt. Secs.	81.02	80.58	68.55
Fixed Interest	79.68	79.16	70.49
Industrial Ord.	427.20	427.90	327.50
Gold Mines	49.10	48.80	53.70
Ord. Div. Yield	3.74	3.73	5.16
Earnings Yield	5.83	5.82	7.24
P/E Ratio	17.16	17.19	13.81
Dealings Marked	14,106	13,201	8,466

For Latest Share Index 'phone (01)-246 8026

F.T.-ACTUARIES

	Nov. 24	Nov. 23	Yr. ago
Industrial Group	172.06	172.33	—
500 Share	183.11	183.22	183.22
Div. yield pc	3.62	3.62	3.62
P/E Ratio	17.94	17.96	17.96
All Share	180.58	180.37	180.37
Consols yield pc	8.43	8.53	8.53

ANNUAL STATEMENTS

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FLOATING £

	£= Nov. 24	% change since Aug. 13	% change on par value
U.S. $	2.49¼	+3.1	+3.9
Can. $	2.50	+2.1	−3.6
Dutch fl.	8.21¼	−1.9	−5.4
†Belg. frs.	114.60	−4.5	−4.5
D.-Mark	8.25¼	+0.7	−6.0
Ital. lire	1,527¼	+1.7	+1.8
‡French frs.	13.74¼	+3.1	+3.1
Jap. yen	818	−5.4	−5.3
Swiss frs.	9.89½	+0.3	+0.5

Reuter revaluations index of the ten key non-dollar currencies against the U.S. $ is 7.6 per cent.

† Convertible. ‡ Commercial.

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

BBC & Ulster • Overpopulation • DCF

Sir,—I read with the greatest interest Joe Rogaly's feature (November 13) on "Reporting Ulster."

The Financial Times is fortunate in having so intelligible a conscience as Joe Rogaly represents. But I think in treating of the BBC he has not gone far enough in two major aspects. He has concerned himself primarily with television, omitting sound radio. And while he has come near to the other major point when discussing the "instant interview" technique, he has not, I think, made the fundamental point, which I think is this: that the BBC, seeking to compete against commercial television, has forgotten that what is important is getting "the" story, which is all the ascertainable facts; and not getting "a story," which is a very different matter. It is I believe a common fault in too many of the mass media.

Instant interviews

The consequences that flow from this approach are too obvious to need relation. The "instant interview" is only one of them. The attitude of some interviewers on BBC television can, I think, be linked with it. In the end result it is alienating many who, like myself, have been the warmest admirers and firmest supporters of the BBC.

I have been listening to sound radio since I made my first crystal set, about, I think, 45 years ago. I have listened to the BBC in five continents, and as an employed journalist, as a civil servant, and as a practitioner in commercial public relations. Time after time the integrity and quality of its news services have enlisted not merely my professional admiration, but a good deal more; a belief that the BBC represented very much what was best in British democracy.

I believe that reputation was founded on audibility, credibility and integrity. Audibility does not necessarily depend on frequencies and wavelengths; and credibility and integrity do not necessarily depend on correct attribution of news sources.

Frequently I switch on my sound radio (new, VHF) to hear the South and West news at 6.50 a.m. and listen until 7.10. (There follows a knock-about farce session which bores me and others to tears). In the 20 minutes I listen one hears frequently 10 voices, some in dialect, some on tape, sometimes some on telephone. The tapes and telephone material are often poorly recorded; the dialect, often spoken in "instant interviews" by people under stress, is very difficult to follow. People who listen as I do are often shaving, or dressing, or eating. That is a fact of life the BBC must recognise. But they are sacrificing, in an attempt to be bright, the essential quality of audibility.

I have not been to Ulster. I was in Nigeria during the Civil War. There was a Biafran air raid on Lagos . . . a feeble affair during which two or three small bombs dropped on waste land. The vast majority of the local population were not even aware of the raid. But the BBC broadcast in its news a story to the effect that the road from Lagos to the neighbouring state of Dahomey was packed with terrified refugees, fleeing from the air raid. This the BBC attributed to Biafra Radio. But inevitably, it was to most people a BBC broadcast. It came from a source already suspect; and at a time when the BBC had in Lagos a correspondent of high repute and integrity, who was not even asked by the BBC to verify the report. Complaints to the BBC elicited only the response that the source had been quoted.

That kind of experience is increasingly common to those, who like myself, have had a profound admiration for the BBC. It is a tragedy that, apparently in a frantic endeavour to gain and maintain mass audiences, it is losing its most valuable allies.

D. D. Condon.

2, A'Becket's Avenue,
Aldwick Bay Estate,
Bognor Regis.

Yesterday's men report

Sir,—Mr. Rogaly seems not to have studied the BBC's report on "Yesterday's Men." If he does he will find there is no evidence there that the contributors were misled. On the contrary, it is clear from the document that the interviews given by the contributors were faithfully reproduced on the screen both in terms of content and the balance between them.

David Dimbleby.

14, King Street, Richmond.

[Joe Rogaly writes: The official statement of the Board of Governors (pages 12 and 13) makes clear how, according to its own analysis, the participants were misled about both the title and the nature of the programme.]

Cost of drugs under NHS

Sir,—Your correspondent, Mr. K. Charnley (November 22), states doctors prescribe Disprin (by which he presumably means Solprin, the product prescribed by doctors) when its generic "equivalent" could be supplied at "a quarter of the cost."

In the interests of accuracy and in justice also to the practised negotiators of the Department of Health, I must point out that the percentage differential cost to the NHS, when a pharmacist dispenses 100 tablets, is less than one-eighteenth of the premium stated by your correspondent. This differential, moreover, takes account of the extra cost of high-grade foil used to protect each tablet of our product (not so the equally hygroscopic "equivalent" preparation) from deterioration.

This calculation is based on the actual remuneration of the retail pharmacist, which is less generous by far than your correspondent supposes.

G. R. Fryers, M.D., M.R.C.P.,
Managing Director,
Reckitt and Colman
Pharmaceutical Division.

Burlington Lane, W.4.

Overpopulation danger

Sir,—One was under the impression that the use of the more extreme statistics regarding the population explosion was gradually being tempered with a degree of realism, as thinking people everywhere became aware of its impact on their everyday lives.

That this is not so, however, is clear from the letter by Mr. Dunn (November 19) containing the apparently reassuring observation that the projected world population for 2001 could lie down in Yorkshire. True, each would have approximately 25 sq. ft. but this extreme example is no more relevant to the overall problem than the fact that each body would, in less than 24 hours, become surrounded by a layer rather over 1 ft. thick of mixed excrement, rubbish, and industrial pollution; or the fact that the entire population of viruses currently contributing to population control in Europe could probably be accommodated on the head of one pin!

Unfortunately the evidence that supply of food will not increase to meet demand for the next century is much stronger than that for the converse, and indeed it has been reliably predicted that there is insufficient land left on the earth to provide the necessary arable areas even if we could farm the top of Mount Everest. In the underdeveloped countries too, where it most matters, the "green revolution," through drought, laterisation, or the development of new pathogens to the large areas of single-species grains (vide the Irish potato blight) has so far failed even to keep up with present rates of population growth.

Nor is alteration in population density an answer. True there are hundreds of square miles of unpopulated land in the U.K.—as there are also in the Sahara Desert, the Amazon basin, and the Polar ice-caps. But they do not contribute significantly to solving the problems either economically or nutritionally, and even Britain, for all its apparent lack of crowding cannot produce more than 50 per cent. of its food requirements from its uninhabited areas. If these were to become suburbia, as Mr. Dunn appears to suggest in his penultimate sentence, the situation would become even more acute, and those who still fail consistently to recognise the problem of over-population in the developed western civilisations, of which Britain is but one, would have realisation driven home forcibly by the rapid disappearance of precisely those features of that civilisation which they currently so much enjoy.

George A. Christie, M.D., BSc.

54, Braywick Road,
Maidenhead.

Benefits of metrication

Sir,—I would like to amplify Mr. Baden Hellard's comments, November 22, based on a personal investigation into the probable costs involved—through metrication—for a very large manufacturing organisation. (Manufacturing industry is likely to incur the major portion of the expenditure involved.)

Various estimates had been discussed for some time and it became obvious, that a detailed and factual survey was required. This revealed many misunderstandings, not only among the company personnel, but also its customers. These would have proved extremely expensive, had they not been resolved at that early stage. Otherwise, the survey proved that all estimates had been extremely pessimistic. They were largely based on premature—and totally unnecessary—replacement of machine tools, jigs and fixtures and particularly measuring equipment. Properly phased purchases—largely to replace worn and obsolete equipment—for new products, were in the main the only capital expenditure required. Raw material stocks would admittedly increase marginally, but only to cover unpredictable demand arising in the normal course of business. (Without dual standards, these stocks could have been slightly lower for statistical reasons, but very few firms have sufficiently sophisticated inventory control techniques to be able to assess this slight increase.) The training costs clearly could not be eliminated, but even these proved lower than anticipated—a fact clearly established—as some units of the group had already started to switch, due to export demands. This fact is always ignored by detractors of the conversion to the metric system. As our trade with countries using the metric system increases, firms will be forced to supply to that standard—a trend likely to accelerate with membership of EEC. (It should be noted here, that even the U.S. is contemplating the changeover.) One small problem remains, but this is likely to prove advantageous for us, we are committed to ISO metric, whilst there are various other metric systems in use in Europe. Most of our customers will however accept the ISO product and continental manufacturers will eventually adopt this system.

It certainly enables us to rationalise and standardise our product variety—and thus yield very considerable economies—but this is only due to the current neglect of these opportunities in the imperial system. I strongly advocate an early review of this waste of resources, which would release considerable liquidity and improve profitability substantially. Finally let me echo Mr. Baden Hellard's recommendation for a corporate metrication plan. This is absolutely essential and cannot be started too early, involving everyone to realise the optimum results. This is particularly important, to avoid—or reduce to a minimum—personnel operating in two systems, which incurs risks and reduces productivity.

C. P. Morton.

142, Arkwrights,
Harlow, Essex.

World business worries

Sir,—The articles by Samuel Brittan and C. Gordon Tether (November 18) on a possible world recession and "what is worrying world business" discuss current trade and currency uncertainties, but the fundamental problems are largely passed over. These problems are:—

(1) The successful world-wide attack by trades unions for wage increases which far outstrip gains in production volume or improvements in productivity. The attack continues with demands for increases of up to 50 per cent. outstanding in the U.K. Many industries have been brought to a near profitless condition by the wage/cost spiral. No wonder business confidence has wavered, because no way has yet been found to stem the tide.

(2) The army of hidden unemployed—millions strong in every industrialised country—still on pay-rolls but in reality made redundant by advances in technology. The industrialists' dilemma is that to retain them at present wage and salary levels makes the cost burden intolerable, while to remove them in large numbers reduces ultimate consumer demand.

(3) The near-saturation and hence far slower growth of many markets. Over-production in the electronics industry is a classic example to-day. Radios and hi-fi sets are on offer in enormous quantities at discounts from 30 to 60 per cent., but still the stocks cannot be cleared. This phenomenon cannot be explained entirely by increased consumer saving due to fears of a real recession.

The latest trade and currency uncertainties should be seen as an unwanted bonus piled on top of the real, underlying problems of industry. Therefore I ask what purpose is achieved by omitting mention of the latter from articles in your own and many less respected journals? It serves only to encourage the still widespread complacency ("We are on the verge of the greatest boom our economy has seen") rather than a willingness to face unpleasant facts.

R. F. Legge.

47, Aplins Close,
Harpenden, Herts.

Inflation and unemployment

Sir,—Mr. Becher's point (November 16), that inflation is fed by unemployment, merits consideration. There is an assumption that an increase in demand will immediately reflect in an increase in price, which is only partly borne out by facts.

I think we should distinguish between those goods and services where the demand already meets and passes the supply, and those goods or services where there is a large degree of slack or spare capacity. In the former category we might include housing and in the second, for the moment, motor-car manufacturing. In the former case an increase or stimulus to demand will be almost immediately inflationary, as experience will show. In the latter case costs will tend to fall as production increases and the competitive forces will tend hopefully to keep prices intact.

From this it would follow that in the smaller economies with high tariff protection, such as the South American Republics where the supply of almost any items falls well behind the potential demand, and where monopoly conditions are the rule rather than the exception, any stimulus to the economy will be almost instantly and wholly inflationary. In the larger economies where there is a high level of competition, or little protection from overseas competition, stimulation of the economy will tend to put up the price of labour, land and personal service. The cost of manufactured goods relative to the disposable income of the populace will tend to fall.

I almost persuade myself that we should join the Common Market!

J. Richard N. Stead,
Miller's Shaw,
Milton of Dumbarton,
Dunbartonshire.

Discounted cash flow

Sir,—Mr. P. L. Griffiths' letter (November 18, Page 14) deserves a reply merely to reduce the already remote risk that it might be taken seriously by someone in a position of authority.

The only basic assumption underlying the concept of DCF is that of the time value of money. Depreciation enters the argument only insofar as capital recovery entails an actual flow of cash.

Interest should not enter the DCF calculation, since it is taken care of by the choice of discount rate. The following example of a project with a net present value of zero demonstrates this. Calculation "A" shows the injection of £100 on overdraft at 10 per cent. and the ensuing repayments from net cash flow during each year. Calculation "B" shows the annual cash flows (excluding interest), their present values and the sum of these.

"A"			
Year-end	0	1	2
Opening balance	0	(100)	(70)
Interest at 10%	0	10	7
Balance	0	(110)	(77)
Capital injections	(100)	0	0
Repayments	0	40	77
Closing balance	(100)	(70)	0
"B"			
Cash flows, excluding interest	−100	+40	+77
Present value at 10%	−100	+36	+64
	NPV=0		

The sentence in Mr. Griffiths' letter which runs "thecid" is the only one with which I cannot disagree. I must assume, therefore, that it is a misprint.

J. E. F. Lloyd.
6a, Perrins Court, N.W.3.

A complete picture

Sir,—In his letter on the subject of discounted cash flow, Mr. Manders (November 18) uses this consideration for a comparison between a repayment and an endowment with profits mortgage. His calculations are relevant because the main advantage takes the form of a tax free lump sum at the end of the term and therefore we frequently recommend repayment mortgages where other brokers would recommend endowment. Nevertheless such arithmetical equations only ever lead to conclusions that are as good or bad as the information which is put in. For example, in practice the average life of a mortgage is 7 years. An endowment mortgage can usually be transferred. A repayment mortgage usually cannot be transferred. Since the major portion of repayments during the first seven years of the latter type are represented by interest this consideration is of some importance.

This simple point seems to be a classic example of the fact that although a discounted cash flow calculation can be extremely revealing it is a waste of time unless it is part of a complete picture.

P. W. Moran, Chairman,
Moran Webb Group,
Life Assurance Consultants,
19 New Road,
Brighton.

Three cheers for pedantry

Sir,—Three cheers for Buxton Forsyth! (November

If it is pedantic to uphold use of correct English (or other language), I join him in his defence of pedantry. addendum—what hope has one of learning a foreign language who has forgotten how to construct a phrase or a sentence grammatically?

And while we are on the subject of solecisms, would it be arrogant to ask that broadcasters refrain from the use of the words "criteria" and "phenomena" until they have learned that the singular form has the ending "on"?

Gwen M. Hollier.

26, Wimbledon Park Road,
S.W.18.

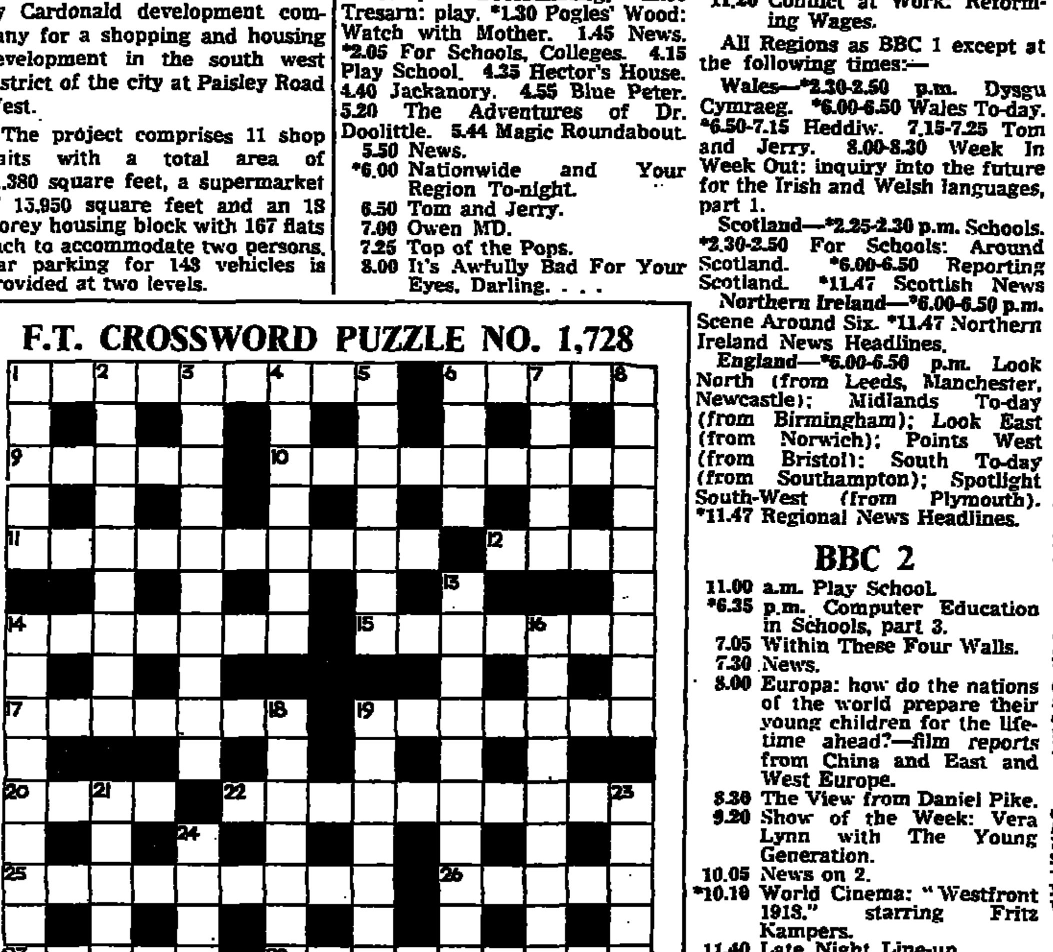
TV/Radio

HOMES AND SHOPS FOR GLASGOW

Glasgow planning committee yesterday approved detailed plans by Cardonald development company for a shopping and housing development in the south west district of the city at Paisley Road West.

The project comprises 11 shop units with a total area of 11,380 square feet, a supermarket of 13,950 square feet and an 18 storey housing block with 167 flats each to accommodate two persons. Car parking for 143 vehicles is provided at two levels.

F.T. CROSSWORD PUZZLE NO. 1,728



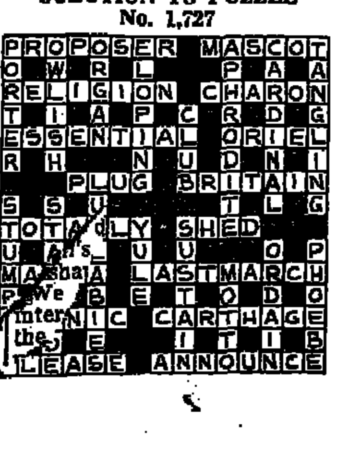
ACROSS

1 Do navvies use the Green Cross Code? (4, 5)
6 Sporting equipment the ambassador has to wash (5)
9 Dismisses the wines (5)
10 Rode in a cab?—How trite! (9)
11 Near thing for girl who is both slim and prim, presumably (6, 4)
12 Gaol disturbance (4)
14 A boy gets noise of eastern gent (7)
15 Cutting out part of the army (7)
17 Darling dog in degrees of fruit (7)
19 Doubt the weight (7)
20 Biting the pie (4)
22 The hope of the creature I limit (10)
25 Former pupil has menial keeping watch (9)
26 Such paint is unfit (5)
27 "So sweet, the —— faints picturing them." (Shelley) (5)
28 No pearl in this state is matchless (9)

DOWN

1 Do the wrong thing again with this substance (5)
2 So sure to find out (9)
3 It's sad to see Desmond quietly on the knock (10)
4 "The —— dearth Of noble natures." (Keats) (7)
5 The Baptist's meat, with wild honey (7)
6 Stop the toss (4)
7 A meeting to test a good man (5)
8 Object to reversal of code if church shows patience (9)
13 Injure tongue with a rash (10)
14 Literary old sailor's bird (9)
16 Limit pace in order to get involvement (9)
18 Keep up discoloration round America (7)
19 Automatic clock's back with number struck (7)
21 Up like a successful cake (5)
23 Girl that is missing on birthday, perhaps (5)
24 Right within the price of being liberated (4)

SOLUTION TO PUZZLE No. 1,727



* Indicates programme in black and white.

BBC 1

*9.38 a.m. For Schools, Colleges. *12.30 p.m. Dressmaking. 12.55 Tresarn: play. *1.30 Pogles' Wood: Watch with Mother. 1.45 News. *2.05 For Schools, Colleges. 4.15 Play School. 4.35 Hector's House. 4.40 Jackanory. 4.55 Blue Peter. 5.20 The Adventures of Dr. Doolittle. 5.44 Magic Roundabout.
5.50 News.
*6.00 Nationwide and Your Region To-night.
6.50 Tom and Jerry.
7.00 Owen MD.
7.25 Top of the Pops.
8.00 It's Awfully Bad For Your Eyes, Darling. . . .
8.30 Holiday '72: Bournemouth and Autorail.
9.00 Nine O'clock News.
9.20 Play For To-day: "Skin Deep."
10.35 24 Hours.
11.20 Conflict at Work: Reforming Wages.

All Regions as BBC 1 except at the following times:—

Wales—*2.30-2.50 p.m. Dyssgu Cymraeg. *6.00-6.50 Wales To-day. *6.50-7.15 Heddiw. 7.15-7.25 Tom and Jerry. 8.00-8.30 Week In Week Out: inquiry into the future for the Irish and Welsh languages, part 1.

Scotland—*2.25-2.30 p.m. Schools. *2.30-2.50 For Schools: Around Scotland. *6.00-6.50 Reporting Scotland. *11.47 Scottish News

Northern Ireland—*6.00-6.50 p.m. Scene Around Six. *11.47 Northern Ireland News Headlines.

England—*6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). *11.47 Regional News Headlines.

BBC 2

11.00 a.m. Play School.
*6.35 p.m. Computer Education in Schools, part 3.
7.05 Within These Four Walls.
7.30 News.
8.00 Europa: how do the nations of the world prepare their young children for the lifetime ahead?—film reports from China and East and West Europe.
8.30 The View from Daniel Pike.
9.20 Show of the Week: Vera Lynn with The Young Generation.
10.05 News on 2.
*10.10 World Cinema: "Westfront 1918," starring Fritz Kampers.
11.40 Late Night Line-up.

LONDON

10.20 a.m. and 1.40 p.m. Schools. 2.32 Father d'Arcy—A Self-Portrait. 3.10 All Our Yesterdays. 3.40 Origami. 3.55 Yoga For Health. 4.25 Tea Break. 4.55 Flipper. 5.20 Magpie.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
*7.00 The Thursday Film: "Ten Gentlemen From West-point," starring George Montgomery and Maureen O'Hara.
9.00 The Lovers.
9.30 This Week.
10.00 News at Ten.
10.30 Cinema.
11.00 Wrestling.
*11.30 Scotland Yard Mysteries.
12.00 Women in a Man's World: Barry Turner talks to Helen McEachrane, 24-year-old Ghanaian, about her work as personal assistant and administrative officer.

All ITV Regions as London except at the following times:—

ANGLIA

4.05 p.m. Women To-day. *4.35 Anglia Newsroom. 4.40 The Adventures of Rupert Bear. 4.55 Bush Boy. 6.00 About Anglia. 6.20 Arena. 7.00 The New Dick Van Dyke Show. 7.30 "The Men" starring Marlon Brando. 11.30 The Avengers. 12.25 a.m. At the End of the Day.

ATV MIDLANDS

3.10 p.m. Yoga For Health. 3.35 To-morrow's Horoscope. 3.40 Women To-day. 4.10 Family Affair. 4.40 The Adventures of Rupert Bear. 4.55 Lift Off. 6.00 ATV To-day. 7.00 The Sky's The Limit. *7.30 Thursday Movie: "The Alphabet Murders" starring Tony Randall with Anita Ekberg and Robert Morley. 11.00 Randall and Hopkirk (Deceased).

BORDER

3.40 p.m. Jobs in the House and Garden. *4.05 Border News Headlines. *4.07 Katie Stewart Cooks. 4.40 The Adventures of Rupert Bear. 4.55 Adventures in Rainbow Country. *6.00 Border News and Lookaround. *7.00 Mr. and Mrs. 7.40 Movie of the Week: "Assault on the Wayne" starring Leonard Nimoy. 11.30 The Smith Family. *12.00 Border News Summary.

CHANNEL

4.05 p.m. Origami. 4.18 Puffin's Birthday Greetings. 4.22 Nanny And The Professor. 4.50 Joe 90. 6.00 Channel News and What's On Where. 6.15 Channel Sports Round-Up. 7.00 Thursday Film: "The Net." 8.30 This Is Your Life. 11.03 Strange Report. 11.55 News and Weather in French.

GRAMPIAN

*3.29 p.m. Grampian News Headlines. *3.32 The Flintstones. 4.50 Bush Boy. *6.00 Grampian News. 6.10 The New Dick Van Dyke Show. 7.00 Thursday Film: "The Third Day" starring George Peppard. *8.55 Police News. 11.00 Treasures of the British Museum. 11.30 McQueen. 12.00 Evening Prayers.

GRANADA

3.40 p.m. Farmhouse Kitchen. 4.05 News, followed by Peyton Place. 4.35 Lancelot Link. 4.50 Captain Scarlet and the Mysterons. 6.00 Newsday followed by Put It In Writing. 6.25 The New Dick Van Dyke Show. *7.55 The Mysteries of Edgar Wallace. 8.00 The Persuaders. 11.05 Late Night Thriller: "The Seventh Victim" starring Tom Conway.

HTV

3.45 p.m. Arthur. 3.55 Training the Family Dog. 4.15 Tinkertainment. 4.30 Crossroads. 4.55 The Adventures of Young Gulliver. 6.01 Report West. 6.18 Report Wales. 6.35 The Sky's the Limit. *7.30 Midweek Movie: "Separate Tables" starring Deborah Kerr, Rita Hayworth, David Niven, Wendy Hiller and Burt Lancaster. *10.30 Seeds of Love. *11.00 The Untouchables.

SCOTTISH

3.30 p.m. Yak. 3.45 Crossroads. 4.10 Dateline: Early. 4.55 Bushboy. 6.00 Dateline: Thursday. 6.15 A Place of her Own. 7.00 Thursday Feature: "Girls of Pleasure Island" starring Leo Genn. 11.00 Late Call. 11.05 The Prisoner.

SOUTHERN

3.35 p.m. Tomorrow's Horoscope. 3.40 Women Today. 4.10 Houseparty. *4.23 Heckle and Jeckle. 4.30 Crossroads. 4.55 Joe 90. 6.00 Day by Day and Crime Desk. 6.45 Junkin. *7.15 Thursday Film: "Double Bunk" starring Ian Carmichael, Janette Scott, Sidney James and Liz Fraser. 11.00 Southern News Extra. 11.10 The Marty Feldman Comedy Machine.

TYNE TEES

2.30 p.m. Struggle for Israel. 3.05 Pied Piper. *3.10 Ballet for All. *3.40 People to People. 4.05 North East Newsroom. 4.10 Treasures of the British Museum. *4.40 Origami 4.55 Captain Scarlet and the Mysterons. 6.00 To-day at Six. 6.30 Tournament. 7.00 Popeye. 7.10 Thursday Film: "Promise Her Anything" starring Warren Beatty and Leslie Caron. 10.30 Police Call. 10.35 Sportstime. 11.05 Cinema. 11.35 Drive In. 12.00 Late News Extra. 12.15 a.m. Revolving Chair.

ULSTER

4.00 p.m. Yoga for Health. *4.30 Romper Room. *4.50 Ulster News Headlines. 4.55 Bush Boy. *6.00 UTV Reports. *6.15 Daws Explores. *7.00 The Country Sound. 7.30 Feature Film: "Rhino," starring Robert Culp and Shirley Eaton. *11.00 What's It All About. 11.20 Treasures of the British Museum.

WESTWARD

3.55 p.m. The Gus Honeybun Show. 4.05 Origami. 4.18 Westward News Headlines. 4.20 Nanny and the Professor. 4.50 Joe 90. *6.00 Westward Diary. 7.00 Thursday Film: "The Net" starring Phyllis Calvert and Robert Beatty. 8.30 This Is Your Life. 10.59 Westward Late News. 11.03 Strange Report. 11.55 Faith for Life.

YORKSHIRE

2.33 p.m. The Struggle for Israel. 3.15 Pied Pipers. *3.20 Matinee. 3.45 Yoga For Health. 4.05 Calendar News. 4.10 Women Today. 4.40 Origami. 4.55 Bush Boy. 6.00 Calendar. 6.30 The Smith Family. 7.00 Cartoon Time. 7.15 Thursday Film: "Promise Her Anything," starring Leslie Caron and Warren Beatty. 10.30 Yorksport. 11.05 Cinema. 11.35 Drive-In.

RADIO 1 247m

Time checks, up-to-the-minute traffic report and News summaries at 5.30 a.m., 6.00, 6.30, then every hour on the half-hour until 2.30 p.m., 3.00, 3.30, 4.00, 4.30, 5.30, 6.00, 6.30, 7.00, 8.00, 11.00, 12 midnight, 1.0 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.32, 8.32, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. As Radio 2. 7.00 Tony Blackburn. 9.00 Jimmy Young. 11.00 Dave Lee Travis. 1.00 p.m. Johnnie Walker. 3.02 Terry Wogan. 5.00 What's New. 6.00-10.00 As Radio 2 (Radio 1 on VHF and 247m between 10 p.m. and 12 midnight). 10.00 Sounds of the 70s: Pete Drummond. 12.00-2.02 a.m. As Radio 2.

RADIO 2 1,500m; VHF

News summaries at 5.30 a.m., 6.00, 6.30 (VHF and 247m), 7.00, 7.30, 8.00, then every hour on the hour until 3.00 p.m., 3.30, 4.00, 4.30, 5.00, 5.30, 6.00, 6.30, 7.00, 8.00, 10.00 (1,500m), 11.0, 12 midnight, 1.0 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 9.02, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. News. 5.32 Breakfast Special. 6.27 Racing Bulletin. 8.55 Pause For Thought. 9.02 Pete Murray's Open House. 11.02 Morning Story. 11.15 Waggoners' Walk. 11.30 The Tony Brandon Show. 2.02 p.m. Woman's Hour. 3.02 Terry Wogan. 4.15 Waggoners' Walk. 4.31 Sports Desk. 4.33 Charlie Chester offers music, letters and stars on disc. 6.02 Album Time. 6.30 Sports Desk. 7.03 After Seven: Ray Moore—entertainment in words and music. 8.02 Sounds Familiar. 8.30 Time For Old Time at the Radio 2 Ballroom. 9.15 The NDO Sound (Radio 2 on 1,500m and 202m only between 10 p.m. and 12 midnight) (202m Edinburgh, Glasgow, Dundee and Aberdeen). 10.02 Late Night Extra, including Sports Desk at 10.15. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride. 2.00 News.

RADIO 3 194m, 464m; VHF

7.00 a.m. News. 7.05 Morning Concert: Handel, Spohr, Haydn, Suppe, Saint-Saens, Arnold, gramophone records. 9.00 News. 9.05 This Week's Composers: Couperin and Rameau on gramophone record. 9.50 BBC Midland Light Orchestra: Auber, Peter Dodd, William Alwyn, Delius, Khachaturyan. 10.35 Szymanowski piano recital. 11.25 Haydn and Brahms concert, part 1: Haydn. 11.50 A Little Knowledge: talk. 12.10 p.m. Concert, part 2: Brahms. 1.00 News. 1.05 Piano recital—Bach, Schumann, Albeniz. 2.00 Orfeo: Opera in a prologue and five acts—Prologue; Acts 1 and 2. 3.00 Interval: Monteverdi in Mantua: talk. 3.10 Orfeo: Acts 3, 4 and 5. 4.25 Pied Piper. 4.40 Bach, Exton, Francaix: Chamber music. 5.15 Youth Orchestras of the World. 6.15 Concert Calendar. 6.25 Programme News and Stock Market Report. 6.30-7.30 Study on 3: 6.30 English in Action, part 8. 7.00 Regency People, part 8. 7.30 Orchestral Concert, part 1: Britten, Haydn. 8.15 The Big Leaks: talk. 8.35 Concert, part 2: Strauss. 9.15 Rewriting Man's Prehistory, part 1: A Science of Archaeology? 10.00 The American Pioneer Tradition: Ives, Harris, records. 11.05 Debussy Songs, recital. 11.30 News Summary.

RADIO 4 330m; VHF

6.25 a.m. News Summary. 6.27 Farming Today. 6.45 Prayer for the day. 6.50 Regional news, weather and preview. 7.00 Today: magazine. The News. 7.40 Today's Papers. 7.45 Thought for the day. 7.50 Regional news, weather and preview. 8.00 News and more of Today. 8.40 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 For Schools. 9.25 Other People's Lives. 9.35-10.15 For Schools. 10.15 Daily Service. 10.30-12.00 For Schools. 12.00 You and Yours. 12.25 p.m. My Word! 12.55 Weather, preview and news. 1.00 The World at One. 1.30 The Archers. 1.45 Listen with Mother. 2.00 For Schools. 3.00 For Schools. 3.00 Afternoon Theatre. 3.45 Jack De Manio, Precisely. 4.30 Story Time. 5.00 PM Reports. News magazine. 5.50 Regional news, weather and preview. 6.00 News. 6.15 Just a Minute. 6.45 The Archers. 7.00 News Desk. 7.30 Any Answers? 8.00 Remembering Ivor, recollections of Ivor Novello. 8.45 Scan: review of the arts. 9.30 New Worlds. 9.59 Weather. 10.00 The World Tonight. 10.45 Today in Parliament. 11.00 A Book at Bedtime. 11.15 News. 11.31 Market Trends.

Racing

To-day's Events Page 14

Tricky for punters

by DARE WIGAN

IT IS HARD to imagine two more unappetising programmes from the punters' point of view than those at Warwick and Taunton this afternoon and backers, unless they have access to inspired information, will do well to keep their money for Newbury and—assuming that it is possible to race there—for Newcastle, to-morrow and Saturday.

At Warwick, where the card includes two divisions of a novices' hurdle for three-year-olds, a selling hurdle and an amateurs' chase, the best bet may be *Beechwalk* in the Solihull Handicap Chase (1.45). This gelding, trained by Tim Forster, at Letcombe Bassett, Berks, was attempting a stiff task when endeavouring to concede 21 lb to *Legendry Rod* at Windsor a fortnight ago and was not disgraced when finishing only three lengths behind the winner. That was his first outing of the season and he drifted in the betting but I expect him now to give G. Thorner a winning ride.

Although races for amateurs are not as a general rule sound betting mediums, the Shipston amateur riders' chase (2.15) may be an exception, for *Pirolace*, twice a winner over course and distance, will be ridden by the experienced Mr. R. Knipe, who has partnered him in all his races this season. On his last appearance, *Pirolace* finished third to *Alu-Alu* and *Christmas Goose* at Windsor when attempting to give *Alu-Alu* 7 lbs; and that, coupled with his victory over *The Weary Friar* at Newton Abbot last month, represents fair form.

Parlour Moor from H. Thomson Jones' Newmarket stable which struck form at Ascot last week-end, has been difficult to train. However, he ran sufficiently well at Doncaster on October 23 to suggest that with normal improvement he will go well with 11 st 2 lbs in the Cherington Handicap Hurdle (2.45).

Although I doubt whether *Sixpenny Moon* and *Black Andrew* are held in the highest esteem by trainer Fulke Walwyn, both have shown fair form, which is more than can be said for most of the other runners in Divisions I and II of the Warmington Novices' Hurdle (12.45) and (3.15).

At Taunton, David Barons, already well past his target of 50 winners before Christmas, looks to be the trainer to follow. Recent winners, *Forest Mere* and *The Weary Friar*, can land him the Gumboot Handicap Chase (2.0) and the Overcoat Handicap Chase (2.30) respectively, and *Ashiq* will go well in the Gauntlet Handicap Hurdle (3.0) though here I prefer *New Shoes* who would have a hat-trick under his belt had he not slipped on the flat at Warwick on November when a long way clear of his nearest rival.

Earlier in the afternoon Barons may take Div. 1 of the Necktie Novices Hurdle with *Best Beat*.

SELECTIONS

Warwick

12.45—Sixpenny Moon
1.15—Whisky Noggin
1.45—Beechwalk***
2.15—Pirolace**
2.45—Parlour Moor
3.15—Black Andrew

Taunton

1.00—Best Beat
2.00—Forest Mere*
2.30—The Weary Friar
3.00—New Shoes
3.30—Border Lane

FACTORY FOR KIRKCONNELL

A new advance factory of 20,000 square feet is to be built by the Department for Trade and Industry at Kirkconnell, Dumfriesshire, in the Sanquhar special development area.

The factory, which is due to be completed by the end of next year, is a replacement for an advance factory of similar size allocated recently to Sidlaw Group Tile Company.

POST OFFICE AUDITORS

Touche, Ross and Co. and Cooper Brothers have been appointed joint auditors of the Post Office.

d Playhouse

Duchess of Malfi

by ANDREW PORTER

n wrote incidental music Duchess of Malfi (New 46, with Elisabeth Berg- the title-role). So did cles, and Milhaud (Mar- 1937). But I can trace ratic version before Oliver's, which had its formance at the Oxford e on Tuesday. Surpris- haps. Cammarano and i could have done much e subject—a whizzing ne for the prima donna , perhaps, *Lucia*-fashion, or the tenor. They would lt freely with Webster's has Mr. Oliver, though *ttocento* fashion.

cut the play, of course. has kept Webster's and composed for an audience that knows ullis is, and that angels coins; who can pick up on a wounded captain e children of Ismael all " and not think that "Bless, heaven, this ordian" has simply been ounced. I was glad had read the text in and advise anyone who visit the opera to do (it plays all this week, well worth a visit; the ts are 40p and a day- from Paddington is Yet the libretto is not n operatic condensation play. Though it is not from *Hamlet* as the z *Hamlet*, there has been rearrangement of , some restructuring, ew crystallisation of the rs and their motives.

er's *Duchess of Malfi* is ter-pageant, disorderly "interesting example of great literary and drama- nius directed toward , filled with bright lines, ages and high feelings e to a modern sensibi- t the end all are dead: retched eminent things" assed like footprints in nd the final moralising has an ambiguous ring: ity of life is fame's best Which nobly, beyond hall crown the end." Mr. sets this in chorus, and ith an off-stage chorus of *orum via integra est*; as h to his score he retrans- Beatitude: "The single- are happy, because they God."

before *Beati*, as the first we hear, is a loud cry: ster, O my sister! there's use on't!"—from Duke nd. It outlines a motif ecurs, ostinato accompani- o Ferdinand's "Upon a Reputation, Love and . . ." (set as amorous and again to his "Cover e; mine eyes dazzle: she ung"; the cry returns rdinand's death.

Beati takes up the opening notes but continues them as a *holy chant. . . Then through* polyphony in the ancient style there shrill from the pit "expressionist" outbursts. Oliver's *Duchess of Malfi* is, among other things, an exploration of kinds of integrity. The eminent things remain true to themselves, hard, bright, unflinching on the paths that lead to their mutual destruction. The handsome pliant Antonio is caught up by them. Bosola is their dark mirror, flashing, reflecting, focusing their thoughts and wishes with his keen intelligence. "I am Duchess of Malfi still" rings bright after a mock-Purcellian masque of madmen. Webster's recurrent diamond references, and his lupine and lycanthropic imagery are intensified and reinforced. The waxwork Jacobean horrors are omitted.

The opera is a highly intelligent piece of work, cunningly planned, (in three acts, each of roughly 40 minutes). Oliver, at 21, is an experienced opera composer, more so than Donizetti at his age, if not Rossini (he has written nine operas, and five of them have been performed). He owns to no influence except Mozart. It is hard to say what *The Duchess of Malfi* is like: sometimes a little like Hindemith's *Cardillac*, perhaps, but less emphatically busy. There is something of the same cleanness and leanness, the same absence of muddle, the same clear-headed personal purpose. The composition seems to be at once fluent, and thorough.

It is a very interesting work, and with its production the Oxford University Opera Club takes on (in the context of new operas being economically crippling to our regular companies) national importance. Oliver's combination of dramatic flair and theatrical experience shows in all sorts of ways: in his handling of the chorus, his balance of stage and orchestra, his effective vocal writing, his *disposition of scenes and* shaping of acts. The English Opera Group, the New Opera Company, Scottish Opera, Hamburg, should be on to him at once.

The Duchess of Malfi was written for its current performers, and they do it well. Jillian Crowe is the Duchess, Keith Jones is Antonio, Peter Reynolds is the Cardinal. Oliver himself sings Bosola (has there been another composer since Peri and Caccini, who wrote the first operas, to sing in his own premiere?). The undergraduate orchestra under Peter Rosinson is admirable, and Julian Hope directs a keen, intelligent production.

na Troyanos, who took over the part of Oktavian in "Der Rosenkavalier" at Covent Garden last night

ent Garden

Swan Lake

by CLEMENT CRISP

ause Lynn Seymour was in- ed, it fell to Monica Mason Rudolf Nureyev on Tues- in those hallowed rites wherever point shoe stage as *Swan Lake*. As rld's most popular ballet— ement I am prepared to against all other contenders s a piece that has been ely debated, altered, re- t and generally over- d; yet at its heart lies a tragedy of great beauty, a omantic drama that needs g with a passionate ity if it is to be anything than an interesting sur- from a golden age of . And it was just this y of impassioned involve- that was missing on Tues- Monica Mason is one of reasures of our national any, brilliant in manner, le of the grandest effects, rtist who can dominate a through her thrilling nce and radiant assurance chnique.

Odette is, of course, s impeccably set out, but ight I felt as if she were ng against her nature; one might have expected l-toned tragic Queen, her e was muted, and some-how uncommunicative of the lyricism of the role. There were superb moments—a pose, an anguished turn of the head, a cascade of exquisite bourrees—which bespoke a truer Odette behind the well-mannered interpretation we saw, but the sum effect was less than these admirable parts. Odile was cast in dazzling mould—hypnotic, flashing with a malevolent fire—and the exultant dynamics of the characterisation told us straight away that poor Siegfried hadn't a chance. Yet, thrilling though the dancing was, on this occasion it did not convey all the inner life of the character.

From Mr. Nureyev, too, a performance which missed its full potential. His acting looked self-absorbed, his dancing sometimes perfunctory, and strained, and the sense of a consistent dramatic and emotional reading that must sustain the whole action (the ballet is, after all, Siegfried's story) was lacking. Lest I seem to be in too carping a mood let me say that both Miss Mason and Mr. Nureyev brought off fine and daring things, and that in various roles Ann Jenner, Michael Coleman and Wayne Eagling were especially deserving of our gratitude.

Janet Baker and Robert Ferguson in "The Coronation of Poppea," which opened last night at the Coliseum. Andrew Porter will review the production in to-morrow's paper

Derry Moore

Record Review

Hamp Getz King Dizzy

by KEVIN HENRIQUES

HAMPTON HAWES. Spanish Steps
Hampton Hawes (piano), Jimmy Woode (bass), Art Taylor (drums).
Polydor Select 2460 122, £1.95

STAN GETZ. Dynasty
Stan Getz (tenor saxophone), Eddy Louiss (organ), René Thomas (guitar), Bernard Lubat (drums).
Verve V6-8802-2 (2 record set), £4.30

DIZZY GILLESPIE. The Ebullient Mr. Gillespie
Dizzy Gillespie (trumpet), Les Spann (guitar and flute), Sam Jones (bass), Lex Humphries (drums).
Metro 2682 007, (2 record set), £2.45

KING CURTIS. King Curtis Live at Fillmore West
King Curtis (tenor, alto and soprano saxes) and accompanying musicians.
Atlantic Super 2400 159, £2.15

In the gloomy, red-hued atmosphere of the upstairs bar of Le Chat Qui Pêche one of the quietly-sitting customers looked vaguely familiar. But then in Paris, the jazz capital of Europe, it is not unusual to see musicians, Americans or Europeans, working or "resting," drinking in any of the numerous bars, clubs or discos on the Left Bank. As the playing musicians slowly came up for air from the crowded cave between sets and greeted the dark-skinned American his identity was revealed.

At that time, Christmas 1967, Hampton Hawes was in the midst of a nine-month odyssey which took him round the world. This pianist, highly rated (by critics and fellow musicians) but heavily neglected (by club owners and public) had left his home in Los Angeles where opportunities for his bop-influenced playing had been scarce. To his amazement and pleasure, in Europe and elsewhere he found innumerable offers to work on radio, TV and in clubs as well as to make records. The albums he cut for Contemporary in the 1950s, and subsequently, had given him such a reputation among promoters outside the U.S. that during his world tour he made no less than seven more.

Spanish Steps, made in Paris in March, 1968, is one of them. It is also the one which Hawes on his return to America called "the best record I made in Europe." Without hearing the others it is hard to tell whether the sternly self-critical Hawes judged correctly. What is certain is that it is one of the most memorable piano discs released this year if only because it is so unlike the others.

Hawes is an adventurous player from the Bud Powell school who retains his heavy blues roots. Here he plays five of his own compositions plus Rodgers and Hart's "My Romance." In all, his predilection for simple, melodic themes is well displayed. His playing is lively, unpredictable, yet coherent. But it is his lack of clichés which makes him so much more listenable than many more illustrious pianists.

His sureness and confidence flowed gushingly to his accompanists on this date, both American expatriates living in Europe. The accents and accentuations of Art Taylor, particularly on the opening track "Blues Enough," are indicative of the truly "listening" atmosphere Hampton Hawes engendered in the trio.

In another of Europe's leading *jazz spots, Ronnie Scott's* in London, on a cold March morning earlier this year, I sat riveted, along with a handful of other insomniacs, until well past 4 a.m. as Stan Getz put the finishing touches to the items which were to comprise his next album. Indefatigably he re-played certain numbers until he and the engineers were satisfied with their quality—such is Getz's perfectionism. The completed double album, just out, is undoubtedly the most inspired from a jazz viewpoint that the tenor-saxist has made for many years.

Getz' flirtations with bossa nova and with string-backed romantic LPs seem to have diverted him from uncompromising jazz albums for far too long—since Gary Burton was with him in fact. *Dynasty* doubly compensates as it is an 85-minute souvenir of the strongly individual music he created during his engagement at the Scott Club during March. Almost all the selections are originals by his supporting trio of European musicians and all have a common factor—a strong harmonic structure which gives the leader plenty of scope for his incisive explorations.

Although one of the commendable attributes of the quartet is that it is not a rampaging tenor-saxist selfishly drowning his rhythm section (the performances suggest much thought and rehearsal) Getz is unquestionably the master in charge—yet he never bullies. He plays a storming solo on "Ballad for Leo," then brings a sublime feeling of sadness to "Mona," a lament, for an ex-girlfriend perhaps, during which he stays almost all the time in the warm lower register. But it is on "Ballad for my Dad" that he is at his most poignant—understandably for his father died while the recordings were being made.

Stan Getz

Throughout, Getz shows his master musicianship. He is majestic in authority and control. One feels that in the tenor-saxophone dynasty Getz' premier place is secure for years to come. But as with all rulers he needs courtiers. His have developed into the precisely right-sounding unit he needs for his present musical ideas. Eddy Louiss is an interesting organist, if only because he is one of the most UNexciting around. He has none of the organist's customary catchpenny fireworks and is content to chug away assuredly, underlining with his bass pedals. His restraint and simple embellishments are vital to the music but the praise of a leading French critic two years ago—"le meilleur organiste au monde, décidément"—seems extravagant, decidedly.

The Belgian, René Thomas, an accompanist of understanding and sympathy, is rightly considered in Europe as one of, if not the, best guitarists on the Continent. His silence-inducing solo on "Invitation" is a gentle, masterly improvisation full of brooding harmonies. Bernard Lubat's intelligent feeling for dynamics completes the fourth and equally essential segment of the group. Only a couple of slight irritations mar this impeccably produced release—Eddy Louiss's surname is incorrectly spelt on both records and on the sleeve and some artistic mismanagement has turned René Thomas into a left-handed guitar player in two of the sleeve photographs!

On another recently issued double LP another giant of jazz, Dizzy Gillespie, is heard in good form, if not on the same high inspirational level as Stan Getz. Ebullience is undoubtedly the right word for the irrepressible Diz who vocalises on "Swing Low Sweet Cadillac" and "Umbrella Man." On trumpet he brings similar gaiety to some of the other selections—"My Man," "St. Louis Blues" and "Always." More seriousness, however, for the ballads "Willow Weep for Me" and "No Greater Love."

On these tracks, recorded almost 13 years ago, Gillespie favoured his mute for much of the time but whenever he plays open horn his sound and power are unmistakable. He is accompanied by his group of that period and of them the now-forgotten Junior Mance reminds us what a soulful piano player he is while Les Spann's flute when combined with Dizzy's trumpet is a tasty blend.

The general feeling of the sessions is summed up in the drumming of Lex Humphries, reliable, accurate and safe but never daringly different. Prospective buyers should note that Gillespie subsequently recorded some of these numbers with another group and, in my opinion, rather more attractively.

King Curtis, who was murdered last August in New York, was one of those many musicians who, after starting out in the jazz milieu (he played with Lionel Hampton's band at an early age), moved into the rhythm-and-blues and soul fields—pastures which proved lusher and more lucrative for him. In this album, recorded in San Francisco, his talent as player (on saxophones) and as composer—"Memphis Soul Stew" and "Soul Serenade" indicate the LP's feeling—are well-showcased. Here is insistent, throbbing soul music with heavy saxes, drums and riffs galore. One track, "Whole Lotta Love," is an unashamed 2 minutes 10 seconds-worth of pop single—exciting but forgettable.

Curtis plays some workmanlike solos without taking off. It is organist Billy Preston (a recording artist in his own right) who contributes most of the interesting playing. This live LP zestfully conveys the feeling which Curtis and his group easily generated on stage. The soul world in the States is obviously a less lively sphere for his passing.

d'Offay Couper Gallery

Claud Lovat Fraser by MARINA VAIZEY

Claud Lovat Fraser died at the age of 31 in 1921: as a young man he was destined to join the family law firm, but his "note-books were filled with sketches rather than observations on points of law." Released from *his Articles, he studied under* Sickert, but decided that painting in oils was not for him, and on his own, worked out his favourite technique: painting and drawing in coloured inks with reed and steel mapping pens. His career, which began as a designer of decorated rhyme sheets and small booklets, now collector's items, was interrupted by war service, even though he had suffered a severe attack of rheumatic fever in *1914; he survived the war*, but the gas poisoning and shell-shock that he endured were factors that contributed to his early death. After the war, he rapidly became a notable designer for opera, plays and ballet, as well as designing textiles.

The enchanting exhibition at Anthony d'Offay's gallery at 9, Dering Street, New Bond Street, W.1, *through to December 10* celebrates the light-hearted wit and gaiety for which Fraser was much loved as a person in his life-time, and which informed even the most casual of his designs and drawings. The charming catalogue, which contains a short and moving memoir by his wife, Grace Lovat Fraser, also publishes for the first time 30 pages from *A Book of Simple Toys* designed by Fraser, which demonstrates in full measure the kind of innocent sophistication, the unselfconscious pleasure in the small delights of life that informs all his work. A friend of such diverse artists as Gordon Craig, Gaudier Brzeska, and Paul Nash, Lovat Fraser's own textile designs were much in advance of their time, showing a firm grasp of the purities of abstract patterns that have in recent years been a feature of hard-edge painting, and were paralleled at the time by the early watercolours of Bomberg. Watercolours like *The Lonley House, Romney Marsh, The Poplar, Dymchurch* and *Two Women* show an idiosyncratic and sensitive talent. For all Lovat Fraser's light touch, he was neither sentimental nor soft-centred, which is why this collection of work from an artist who died 50 years ago, and whose chief preoccupation was design, has not dated, but is still remarkably fresh and delightful.

Festival Hall

Royal Concert

by JEREMY NOBLE

Perhaps it was the sense of occasion engendered by Kneller Hall fanfares and the presence of HRH Princess Anne in the royal box, or perhaps it was simply the skilled direction of their conductor, Louis Frémaux, but the City of Birmingham Symphony Orchestra were certainly on fine form at the Musicians' Benevolent Fund's St. Cecilia concert on Tuesday. Right from the opening anchors-aweigh of Berlioz's *Corsair* overture it was obvious that the strings, above all, were playing with a new accuracy and fire. They may not quite muster the sheer power of the best metropolitan orchestras, but here, and again in Britten's *Young Person's Guide* at the end of the concert, they showed themselves quite able to compete in point of brilliance, even though one or two of Mr. Frémaux's tempi were dangerously fast.

If Mr. Frémaux has a fault, in fact, it seems to be a certain lack of lyrical warmth (the *adagio* melody in the Berlioz, for instance, or the oboe variation in the Britten). One might be tempted to go further and say a certain lack of inwardness, but there was precious little in this programme that called for that. Beethoven's scena, "Ah! perfido," perhaps, though it is clearly an exercise in an old-fashioned form (the concert aria for abandoned Dido or Ariadne or whoever) rather than a spontaneous effusion of his own. Elizabeth Simon, standing in for an indisposed Heather Harper, surmounted its formidable technical difficulties very creditably, but the expressive effect remained general rather than particular and personal.

Rakhmaninov's Rhapsody on a theme of Paganini has its moments of inwardness too, but its essential character is cool elegant, even sardonic. Mr. Frémaux and John Lill seemed at one in projecting the pieces as a single, kaleidoscopically changing entity; this was a much more satisfactory performance than a recent one in the same hall, not least because it allowed the music to make its own points without exaggeration. It takes a magnificent technique to be able to throw points away in this fashion, and Mr. Lill has it, together with delicacy and power. But he does lack playfulness; the *scherzando* solo variation (No 15) could not raise a smile.

The new work in the programme was Humphrey Searle's *Labyrinth*, specially commissioned by the Feeney Trust. It was not a happy choice. No Ariadne's thread was needed to find one's way through its clearly-marked sections, but some patience to keep one's attention on so discontinuous a sequence of thin melodic gestures and contrivedly thick textures. The old effects-without-causes jibe applied to Liszt, seemed all too appropriate to this music by one of his foremost modern champions.

Book Reviews appear on Page 14

Theatre round-up

The world première of *The Story of the Little White Bull* and *East-West*, two short plays by Andrei Amalrik (the Soviet author now serving a three-year sentence in a forced labour camp) will take place on December 7 at Theatre 84, a new 90-seat club theatre at 84, Margaret Street, W.1. The run will end on December 19. Both plays have been translated by Daniel Weissbort.

★

David Storey's new play *The Changing Room* will transfer to the West End immediately after its scheduled limited season at the Court. With its full original cast, production by Lindsay Anderson, and setting by Jocelyn Herbert, it will be jointly presented by Michael Codron and the Royal Court Theatre, opening at the Globe, Shaftesbury Avenue, on Wednesday, December 15.

Danny La Rue at the Palace has closed for two weeks, while Danny La Rue takes a holiday. During this period, his place at Danny La Rue's club in Hanover Square is being taken by Larry Grayson—the first time in the club's history that anyone other than Mr. La Rue has filled the star spot.

Williamson opera

The Australian Musical Association is presenting a performance of Malcolm Williamson's opera *The English Eccentrics* tonight, Thursday at 7.30 p.m. in the Main Hall of Australia House.

The all-Australian cast of singers will be Ailene Fischer, Madge Stephens, John Cameron, Thomas Edmonds, Kevin Miller, Julian Moyle, and the orchestra will be conducted by New Zealander, William Southgate.

CINEMAS ARE CONTINUED ON PAGE 16

Farming and Raw Materials

'Britain facing crucial pig shortage'

BY GODFREY BROWN

A WARNING that Britain could be faced with an acute shortage of pigs in the crucial period of Common Market entry was given yesterday by Mr. H. M. Newton-Clare, chairman of the Sausage and Meat Pie Manufacturers' Association. Mr. Newton-Clare, who is chairman of Bowyers (Wiltshire), also told the association's annual lunch in London that the rise in fresh meat prices during and after Britain's EEC entry would increase the value-for-money aspect of manufactured meat products.

He said the Minister of Agriculture, Mr. James Prior, who was a guest at the lunch, had been told of the association's alarm at the result of the September pig census, which confirmed that the breeding herd was decreasing. As EEC entry approached, it was vital that steps were taken to ensure and maintain the confidence of the pig producing industry to provide the necessary basis for the pigmeat using industries to compete throughout the transition period.

They took it for granted on present trends that at the next review (in February) of the flexible guarantee arrangements for pigs, the Minister would restore at least part of the reduction in the standard price made last May. But they doubted whether a 5p per score increase would be enough to restore confidence among producers and reverse the downtrend.

"It is our clear view that if this trend is allowed to continue, we will be in danger of an acute pig shortage during the crucial period of Common Market entry," said Mr. Newton-Clare.

Feedingstuffs

Mr. Prior said that after a very careful look at the position they had decided against making any further changes in the operation of the flexible guarantee. They had made arrangements in August to ensure there was no further cut in the pig guarantee, and while it would remain at the present level of 9p per score below the standard price for the next three months, there seemed a very real probability that when the February production forecast was made this deduction would be reduced to 4p per score.

This would mean an improvement in producers' returns, which should be reinforced by the benefits they were now getting for the lower costs of feedingstuffs. He said there had been some contraction in the pig herd, but he didn't want it taken too far, and he hoped production would now level out.

Mr. Prior described the recent reduction in bacon market supplies as a necessary development, but hoped there would be no precipitate action that might disturb stability and confidence. He was disturbed by reports that one bacon factory is to cancel all its bacon contracts from mid-December and stop production of Wiltshire cured bacon.

Earlier, Mr. Newton-Clare, talking about the value-for-money aspect of manufactured meat products said this would be the major theme of the British Sausage Bureau next year.

He promised there would be "no unjustified increases" in the prices of their products, but pointed out they were highly vulnerable to increases in raw material costs, so the extent to which they could maintain prices during next year was largely out of their hands.

Danes act on farm antibiotics

By Our Own Correspondent

COPENHAGEN, Nov. 24.

MR. I. B. Frederiksen, Denmark's Minister of Agriculture, has announced that he will seek to introduce a measure making it a punishable offence—by fine and imprisonment—for a farmer to deliver a pig for slaughter if it contains antibiotic residues.

He also wants to tighten up Denmark's already strict regulations controlling the prescription and treatment of animals with antibiotics.

Mr. Frederiksen's move follows a Press campaign, culminating at the week-end when a Copenhagen paper claimed that a sample had shown "traces" of antibiotics in 35 per cent. of pigs sent for slaughter. It turned out that, in fact, the "traces" were injection scars, not residues. But residues were found in other tests.

A ban on antibiotics in animal feedstuffs was imposed from April 1 this year. Current regulations are that farmers must not deliver pigs for slaughter for six days after they have received treatment with antibiotics. These can only be obtained on prescription from a vet who must be "acquainted with the herd" when he prescribes. But the farmer is normally left to give the injections once the antibiotics have been prescribed.

The farming community has been made noticeably nervous by big headlines in the papers over the past few days about the "misuse" of antibiotics.

But, a spokesman for the Bacon Export Council said to-day, Danish controls and hygeine in the slaughterhouses were more stringent than in any other country. "The result of the stories of misuse of antibiotics is that conditions in the slaughterhouses will become even better," he said.

CALIFORNIAN OLIVE OIL HIT

By Our Own Correspondent

LOS ANGELES, Nov. 24.

About a third of California's olive crop was destroyed by an unseasonable hard frost at the end of October. Some growers have lost their entire crops while others are not getting size to their olives, reports the Consolidated Olive Growers.

Total output of this year's crop now is estimated at 50,000 gross tons, down from projections prior to the frost of about 76,000 tons.

Bismuth price undermined

BY JOHN EDWARDS

A SHARP CUT in the U.K. bismuth price, from £4.20 to £3.09 a kilo, was reluctantly announced yesterday by Mining and Chemical Products. The reduction follows a cut by the Cerro Sales Corporation in the Peruvian price of bismuth from \$4.75 to \$3.50 a lb. per ton lot agreed, the company said, after consultation with the Peruvian Government agencies concerned.

The Cerro spokesman added that the action was taken in the long term interest of the industry and as a means of stimulating consumption.

A spokesman for Mining and Chemical Products said that a decline of this magnitude was surprising, but they had no choice but to follow since the previous "floor" to the market had virtually been removed.

The producer price was already being undermined by free market dealings at between \$3.00 to \$3.15 a lb.

The last cut in the producer price of bismuth in July was under pressure from the free market and was the first reduction for over ten years.

Stomach powders

Mining and Chemical Products, which has controlled the producer price of bismuth in Europe for many years, does not agree that the price cuts will stimulate any extra demand. For example, it is pointed out that the substitutes for bismuth stomach powders in France, one of the metal's main outlets, are already available at much cheaper prices.

Only last week Mining and Chemical Products announced that it had bought up a major proportion of the surplus supplies available from Japanese producers, the main suppliers to the "free" market, in an effort to stabilise bismuth prices.

However, the move by Cerro, instigated by Peru, one of the largest world producers of bismuth—has obviously undermined this price stability plan. One consolation, however, is that the official producer price is now much closer to the competitive free market price than previously.

U.S. coffee Bill delayed

WASHINGTON, Nov. 24.

LEGISLATION to extend U.S. obligations under the International Coffee Agreement until September 30, 1973, almost certainly cannot clear Congress this year, a Senate finance committee spokesman said here.

Because of the Bill's controversial nature, the committee is now leaning toward public hearings and with Congress attempting to reach adjournment by mid-December, the coffee legislation would have to be delayed until after Congress reconvenes in mid-January.

Legislation to extend Washington's participation in the Coffee Pact until September 30, 1973, passed the House earlier this month after being caught up in controversy which delayed the legislation for several months. Officially, Washington's obligations under the agreement expired last June 30.

The main issue at stake is whether the agreement is an artificial prop for world coffee prices to the detriment of American consumers and the benefit mainly of Brazil.

In Bogota, the Colombian agriculture minister Hernan Jaramillo Ocampo told coffee growers the Government will help the industry through its present crisis caused by a bad winter

He told the opening of the coffee growers national congress yesterday it would revise internal prices and give financial aid and easier credit to growers

A report prepared by growers for presentation to the congress said losses this season would be unprecedented

Reuter

Sugar talks start

By Our Commodities Staff

Talks on the triennial review of the Commonwealth Sugar Agreement, which started in London yesterday, could well go on into December, according to a spokesman for the Ministry of Agriculture yesterday, reports Reuter.

A spokesman for the Commonwealth Sugar Exporters said the length of the talks will depend on the initial discussions this week.

Main item on the agenda at the talks is expected to be a request by Commonwealth sugar suppliers especially the West Indian producers, for a rise in the present price paid by Britain of £43.50 a ton, with an additional £1.50 to £4 a ton for developing countries.

World sugar prices are at present above Commonwealth levels, and from 1974 onwards the Commonwealth sugar values will be subject to EEC arrangements.

GATT seeks to end oils import barriers

GENEVA, Nov. 24.

THE 80-nation GATT conference has agreed to explore the possibility of multilateral talks to remove barriers in industrialised countries to the import of tropical oils, a spokesman said.

This follows a report by the "group of three"—the chairmen of GATT contracting parties, the GATT council and the GATT Committee on Trade and Development—which found countries are not willing to end duties on vegetable oils unless all others did the same.

The group's report also recommended that importing countries—particularly Continental Europe—should reduce duties on tea and coffee.

The report asked for support for the cocoa conference, which will be held next year by the United Nations Conference on Trade and Development.

It also recommended Britain to study the possibility of liberalising jute goods imports. The British delegate, however, explained the unemployment situation at Dundee at present prevented any immediate action.

Reuter

USSR GRAIN CROP NEAR RECORD LEVEL

MOSCOW, Nov. 24.

Mr. Alexei Kosygin, the Soviet Premier, told the Supreme Soviet to-day that the 1971 USSR grain harvest will total about 180m. tons. This falls short of last year's record harvest of over 186m. tons, but is up on the previous record of 171.2m. reached in 1966.

Reuter

Experts disagree on farm research policy

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE Government will base its legislation on the future of Agricultural Research Councils on the Dainton Report—"A Framework for Government Research and Development," published yesterday.

The report originated in the suggestion that responsibility for the Agricultural Research Council should be transferred from the Department of Education and Science to the Ministry of Agriculture.

The basic reason behind this proposed change was the widespread criticism among the farming industry (which included the advisory services, although in the interests of scientific solidarity this was muted), that the ARC was more interested in fundamental, rather than applied, research. Applied that is, to farmers' present problems.

Practical farming

It was also felt that in many fields the research facilities in countries like New Zealand and Ireland, which were mainly applied, were far more effective in developing practical farming than those under the present system in Britain. There has also been widespread criticism of the difficulty of channelling requests for particular research to the ARC, or disseminating information back to the advisory services.

The report is in two parts, a trenchant analysis of the present position by Lord Rothschild, which does suggest certain changes in the concept of Government-sponsored research, and Sir Frederick Dainton's rather more orthodox approach.

Lord Rothschild suggests that the criterion for much research should be on a customer contractor basis. That is, the user, be it Government department or industry, should indicate a certain area to be investigated and the Research Council should direct a proportion of its resources to that end.

This would be in contrast with more general research which he instanced as finding a drought-resistant wheat, or studying the psychology of domestic farm animals. Resources devoted to such general subjects should, he suggests, be limited to 10 per cent. of the total budget. And in particular, he suggests that about 80 per cent. of the ARC's budget should go to the Ministry of Agriculture.

Sir Frederick's report, that of the Council for Scientific Policy, seems to take a directly opposite view. There is no suggestion that the ARC should go to the Ministry of Agriculture, rather that it should have closer links than ever with the Department of Education and Science, and that in future the chairmen of the Research Councils should be working scientists, which in the case of the ARC they have not always been.

Educational aid

Neither report seems to go far enough in defining the channel of communication between the farming industry and the Agricultural Research Council, which seems to be the main feature of the present system. There is a danger that in the Government's consideration of the proposals, this particular facet will be omitted, leaving the position as it was before.

This whole problem may arise from a misconception of the real functions of the Research Councils, which were originally formed to assist higher education, and not a specific industry. This is why they operate under the aegis of the Department of Education and Science.

Indeed there is no reason why the ARC should not continue so to function as long as it can be seen to be in touch with the present needs of the farming industry.

Guernsey flower transport move

BY OUR OWN CORRESPONDENT

GUERNSEY, Nov. 24.

GUERNSEY'S 3,000 flower growers, who send over £4m.-worth of produce to U.K. markets each year, are to have their freight problems handled by a statutory Flower Transport Authority which the island's Parliament decided to-day should start operating on January 17, 1972.

At present—apart from small groups—individual growers make their own freight arrangements.

The new Authority is planning to set up an air carrier system operating daily to Castle Donnington, East Midlands, where boxes will be loaded into road transporters for onwards delivery.

Mr. F. Le Poidevin, president of the Guernsey committee for horticulture, said to-day, the industry had been losing over £200,000 a year through delays, damage and pilfering.

Mr. E. D. Collas, president of the island's advisory and finance committee, warned that if the Authority was not set up, Dutch flower growers within the EEC, would "carve up U.K. markets for themselves."

He said: "They know that some of our flowers under existing arrangements spend three days in transit before getting on the markets. We must be geared up to compete with them."

The monopoly air freight contract has been promised to Rousseau Aviation International, an offshoot of a French independent airline, provided that it gets the necessary licence from the Air Transport Licensing Board. The company plans to use two Argosy 200 aircraft that will be based in Guernsey. Growers could face freight charges of up to 46p per box.

Meanwhile, Sagittair a British company which is competing for the contract, has set up a "trial service" at 18.75p per box.

Canadian wood products outlook better

BY OUR OWN CORRESPONDENT

MONTREAL, Nov. 24.

FOR THE Canadian forest products industry, the International Exchange rate is of much greater importance than the U.S. import surcharge, since the last round of the Kennedy cuts will almost certainly free lumber of the surtax, Mr. J. N. V. Clyne, chairman of Canada's largest forest products company, MacMillan Bloedel, said yesterday. With the resurgence of Canadian imports, and a lower rate of increase in Canadian exports, he felt the Canadian dollar exchange rate might decline slightly in the medium term.

The recent sharply higher demand for building materials has accounted for the turnround in earnings of the integrated forest products companies, he said. Lumber production by U.S. companies had risen by 10-15 per cent. this year. They might not be able to increase the rate further in the face of the projected 1972 housing boom in the U.S. so Canadian production will be needed.

Mr. Clyne expects U.S. newsprint consumption to rise 3-4 per cent. next year and pulp demand to grow by about 8 per cent., although over-capacity in pulp would still affect the market. There should be an improvement even in the Eastern newsprint industry if the Nixon economic package succeeds in bringing about the expected economic upsurge in the U.S., he added.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Up again on the London Metal Exchange. Prices moved within narrow limits and carries amounted for a fair proportion of the turnover. The Rhodesian settlement news had little effect on the market. There were hopeful signs of an imminent settlement to the West German steelworkers' strike while the India-Pakistan situation again tended to put off sellers. Turnover 11,775 metric tons.

Henry Gardner and Co. reported that in the morning, cash wirebars traded at £395.5, 95, 95.5. Early-Dec. £396. Three months £403, 02.5, 03, 02.5, 03. Cathodes: Cash £384, 83.5, 84. Three months £391, 90, 91. Kerb: Bars: Mid-Jan. £400.5. Three months £403.5, 04, 05, 05.5. Afternoon: Wirebars: Late-Nov. £397. Three months £405.5, 05, 04.5, 05, 05.5, 06. Cathodes: Cash £386.5, 86, 86.5. Early-Dec. £388. Three months £393.5. Kerb: Bars: Cash £390, 98.5. Early-Dec. £400. Mid-Dec. £400.5. Three months £405.5, 05, 05.5, 06, 05.5, 05. Cathodes: Cash £386. Three months £393.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	395-.5	+.5	398.5-9	+3.5
3 months	402.5-3	+.5	405.5-6	+3
Settlem't	395.5	+.5	—	......
Cathodes				
Cash	383.5-4.5	+1.75	386.5-7	+5.5
3 months	391-.5	+1.5	393-.5	+2.75
Settlem't	384.5	+2	—	.....
U.S. Smt.	—	......	50.25-53	.....

TIN—Moved narrowly. Hedge selling was well absorbed while the steadiness in Penang also helped to underpin prices. Turnover 505 tons.

Morning: Cash £1,412. Three months £1,415. Afternoon: Cash £1,412. Late-Jan. £1,415. Three months £1,415. Kerb: Three months £1,415.

LEAD

ZINC

SILVER

COCONUT OIL

COCOA

FREIGHTS

COFFEE

RUBBER

SOYABEAN OIL

SUNFLOWER OIL

GRAINS

MEAT/VEGETABLES

SUGAR

WOOL FUTURES

JUTE

PRICE CHANGES

Prices per ton unless otherwise stated.

INDICES

U.S. Markets

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American News

EEC reply to U.S. protests next week

By Reginald Dale

BRUSSELS, Nov. 24.

COMMON Market's Foreign Ministers are expected to approve of a brief reply to U.S. over the Community's negotiations with non-candidate members of EFTA when they meet here on Monday. Earlier this month the U.S. warned the Community in a verbal note that American trading interests must be taken into account in negotiations with the six EFTA countries and hinted at possible U.S. retaliation if this was not done.

The six countries involved, with whom the Community is hoping to negotiate industrial free trade agreements, are Sweden, Switzerland, Austria, Finland, Portugal and Iceland.

The reply, currently being drafted by the six permanent representatives here, the Community is expected to stress that the proposed arrangements will comply with GATT rules, and that it has always been the Community's position that no new trade barriers should be erected ... when the community is enlarged.

In the view of most people here the U.S. protest, delivered on November 5, has only underlined the need for speed in the negotiations with the non-candidates due to start next month.

Proposal for Caribbean shipping

By Our Own Correspondent

PORT OF SPAIN, Nov. 24.

THE POSSIBLE establishment of a regular shipping service between the Caribbean Free Trade Area countries and those Latin American states bordering the Caribbean sea will be one of the highlights of discussions which open to-day in Caracas between Foreign Ministers from the independent Carifta states and their Latin American counterparts.

Trinidad and Tobago's Minister of External Affairs Kamaluddin Mohammed, who is also chairman of the Carifta regional shipping council, is leading his country's delegation. The Venezuelan shipowners association recently put forward the suggestion for a joint service to promote trade between Carifta and certain Latin American countries and the proposal has been received with interest in Trinidad and Tobago official circles.

Other issues for discussion at the three-day Caracas meeting include national exploitation of marine resources and the development of tourism between Commonwealth Caribbean and Latin America.

Bahamas expand fish industry

By Our Own Correspondent

NASSAU, Nov. 24.

THE FIRST phase of a programme to develop the country's fishing industry will be introduced by the Bahamas government at the end of this month when 10 new 42-foot shallow draft all purpose refrigerated fishing vessels are launched.

Official estimates are that there is a potential demand for a commercial fishing fleet of 50 to 100 such vessels to be built over the next three years. When fully operational, the fleet is expected to employ some 2,000 people, at sea or in allied services.

The Bahamas Fisheries, for whom the boats are being built, plans to purchase three 72-foot vessels equipped with freezing facilities for transporting the fish to depots in Freeport and Nassau.

The Bahamas loses an estimated $8m. worth of fish annually to Florida-based Cuban fishermen poaching in Bahamian waters. This figure has been reduced considerably in the past year following the commissioning of four police patrol boats. The government is hoping that with the introduction of more modern fishing methods it can increase considerably the yield from this industry. Food imports last year totalled $47.6m.

Argentina may suspend all foreign payments

BY OUR OWN CORRESPONDENT

BUENOS AIRES, Nov. 24.

THE ARGENTINE Central Bank President, Sr. Carlos Brignone, has sent up an economic distress signal with his statement that the country for the first time in its history may have to suspend foreign payments.

There seems to be no doubt that his statement, made during a speech at the Free Enterprise Forum, was intended for President Alejandro Lanusse, now confined to the presidential villa again by a kidney ailment.

Dr. Brignone and the Finance Minister, Sr. Cayetano Licciardo, have presented their economic recovery plan to Gen. Lanusse, who is also considering at least two others.

There is evidence that Dr. Brignone, in making the statement, did not intend to create quite the stir that he has. Reporters present at the luncheon were asked not to take notes, and tape recorders were forbidden. The official communique reporting the speech merely said that Dr Brignone "had expressed his confidence that the difficulties would be overcome."

Since the beginning of the year more money has been printed in Argentina than at any other time in the country's history, with the exception of the 1890s—which Dr. Brignone also mentioned in his bombshell speech. He said that more private capital—the Central Bank President estimated $1,000m. since the beginning of the year—had fled the country than during any previous period of similar duration.

Former Finance Minister Juan Quilici, who preceded Sr. Licciardo in the post, said shortly before being replaced last month that local capitalists had holdings totalling $8,000m. in the U.S. and Europe.

Argentina's foreign debt is nearing the $5,000m. mark, at a time when foreign capital has all but ceased coming into the country and when the export level is particularly low. Therefore, although Dr. Brignone's dire prediction that foreign payments may be suspended may not come to pass, a re-financing of the foreign debt would seem to be unavoidable.

President Lanusse

Last week in Buenos Aires, Robert Finch—an adviser and trouble shooter of President Nixon—admitted that there will be talks between the Argentine Government and a score of American banks for a $500m. credit. Mr. Finch mentioned New York's First National City as the leading bank in the group.

Moreover, there are reports that Argentina may receive as much as another $500m. in credits from a group of European banks.

In his speech Dr. Brignone said that the rate of inflation in Argentina this year will be in the neighbourhood of 40 per cent. Dr. Brignone added that Argentina can support a "normal" annual inflation of 20 or 25 per cent., but that with an inflationary rate of 40 or 50 per cent. what exist is "hyper-inflation" which carries with it the danger that the country's economy will escape all controls. So far this year, the black market rate of exchange has shot up from four to nine pesos to the dollar.

Meanwhile, during these same ten months the budgetary deficit has been 284.5 per cent. above the deficit for the equal period last year. National expenditure increased by 42 per cent. while foreign borrowing went up 29 per cent. and revenues from local sources increased only 23 per cent.

Argentina's low export levels would seem to be in large part the result of export taxes initiated by former Economy Minister (1967-70) Adalbert Krieger Vasena as a method of obtaining revenue. This continuing practice is coming in for considerable criticism by many Argentine economists, who point out that even the most powerful countries subsidise their exports.

NIXON ASKS FOR STRIKE REPORT

WASHINGTON, Nov. 24.

PRESIDENT Nixon asked for a status report on the United States East and Gulf of Mexico dock strike, a step that could lead to a Taft-Hartley injunction to halt the walk-out.

White House Press secretary Ronald Ziegler said Mr. Nixon asked the board of inquiry that has been studying the strike to meet Wednesday and report to him on Thursday. Based on the report Mr. Nixon will decide whether to seek a court order under the Taft-Hartley Act to halt the strike for 80 days, Mr. Ziegler said.

AP-Dow Jones

TRINIDAD LABOUR RELATIONS

Trying to tame the radicals

BY OUR TRINIDAD CORRESPONDENT

THE fundamental similarity between last year's State of Emergency in Trinidad and Tobago, which lasted from April 20 to November 19, and the one currently in force, which began on October 19, is that they were both declared by the Governor-General when it appeared that the organised labour movement was prepared to disrupt the normal workings of the economy.

There the resemblance ends, for while last year's declaration was preceded by seven weeks of street politics, demonstrations, arson, intimidation, lawlessness and a high level of racial rhetoric from public platforms, the present Emergency crept upon the country, to use one commentator's words, "like a thief in the night."

The population was certainly surprised when Prime Minister Dr. Eric Williams went on television and radio to announce in his famous dry monotone that Governor-General Sir Solomon Hochoy, acting on the advice of the Cabinet, which had before it the views of the National Security Council (established after the "black power" protests and the regimental mutiny last year), had proclaimed a state of public emergency in Trinidad and Tobago.

The Prime Minister attributed the decision to invoke emergency powers to the threat posed to Trinidad and Tobago's economy by "a major jurisdictional dispute between two of the country's most prominent unions."

This dispute involves the second and sixth largest unions (in terms of membership) in the country but the most important in terms of influence and power—the Oilfield Workers Trade Union (OWTU) and Seamen and *Waterfront Workers Trade Union* (SWWTU).

OWTU is led by the most radical labour rhetorician in the Commonwealth Caribbean, an avowed admirer of the Cuban system, a consistent opponent of the Williams régime and a "black power" platform speaker and marcher during last year's turbulence — George Weekes, aged 48.

Under his President-Generalship, the union has changed its constitution to embrace workers not only in oil but in any industry and has succeeded in attracting membership from the electricity, rubber, construction and even agricultural industries.

OWTU has attempted to oust the sitting union in another public utility, the Water and Sewerage Authority, in one area of local government, the San Fernando Borough Council and in ship-building and repair, Swan Hunter (Trinidad) and Tugs and Lighters. It is this latter initiative that has brought Mr. Weekes into collision with the Seamen and Waterfront Workers Trade Union.

SWWTU, which is generally regarded as being sympathetic to Dr. Williams's administration, responded to the trespassing of OWTU by instructing its members on the Port of Spain docks not to unload pipes that had arrived for despatch to the Amoco Trinidad Oil Co.'s offshore drilling platform on Trinidad's East Coast.

It threatened sanctions against any oil company in which the OWTU was the recognised union (virtually all of them) and said that SWWTU members would not be allowed to handle any of the hundreds of tankers which call at Trinidad each year.

Detrimental

The Trinidad and Tobago Labour Congress, of which Mr. Nathaniel Crichlow, a former appointee of Dr. Williams' party to the upper house of Parliament, the Senate, is the current President, came out in support of SWWTU, which is one of its affiliates (unlike OWTU, which quit several years ago).

Mr. Weekes and his union were given seven days "to cease actions which we consider detrimental to the country and to workers" or the Labour Congress would institute a general boycott on the handling of goods and equipment consigned to companies and industries whose workers were members of OWTU, cease connecting, repairing and servicing all telephones and electronic equipment installed in such companies and industries, stop the delivery of mail to them and "take any other action considered necessary to bring an end to this undesirable (poaching) situation."

While the OWTU and SWWTU were locked in combat, jurisdictional squabbles of no less importance were taking place in the sugar and cement industries, lightning strikes and go-slows were becoming regular features of industrial relations (in contravention of the law, incidentally) and the Employers' Consultative Association was lamenting the "anarchy" which characterised the industrial scene and suggesting that management in Trinidad and Tobago to-day had become "a dangerous, if not impossible, task."

The climax came with an eruption of violence at the £32m. Texaco Trinidad desulphurisation plant site at Pointe-a-Pierre, in the heart of the oil belt. Workers employed by the American contractors, Badger Pan-American Incorporated, went on a go-slow for 15 days in sympathy with colleagues employed on the same site by a sub-contractor, George Wimpey (Caribbean), who had withheld their labour on the grounds that they were being paid less than men directly employed by Badger.

When the Badger workers decided to convert their go-slow into a full stoppage, the company concluded it could not control the workforce and decided to shut down the site, whereupon some 300 men invaded the project manager's office, smashed furniture and equipment, destroyed records and documents and beat-up two members of the American supervisory staff, one of whom, Edward McGuire, the project manager, had to be rushed to hospital with a gashed head.

Within 48 hours, the company decided it had had enough and flew 38 members of its expatriate supervisory staff and their families, 106 people all told, out of Trinidad to Miami on a hastily-chartered jet, temporarily abandoning the job for which it had been engaged by Texaco.

Six days later, on the very day that the SWWTU ultimatum to OWTU expired, the State of Emergency was declared and Dr. Williams could not resist a bitter reference to the Badger incident in his broadcast to the country. The desulphurisation plant, which will make Trinidad's high-sulphur fuel acceptable to U.S. consumers, was an investment "which the Government had made every effort to attract here," he said. The closing down of this major industry was "intolerable," 2,000 workers, "most of them among the highest paid in the country," had been rendered unemployed and "the revenues of the Government would suffer severely as a result."

By the imposition of a second Emergency only 11 months after the termination of the last, Dr. Williams has shown that he has no intention of allowing irresponsible unionism or radical activism of any persuasion to disrupt the oil exploration now taking place off Trinidad's East, South-East, North and South coasts.

The Government is obviously counting on a mini oil boom from its marine areas, and the signs are favourable that it will be able to regain the heights of popularity it enjoyed up to four or five years ago and to provide the jobs and the revenue with which social unrest can be neutralised.

Of the 16 people detained under the emergency regulations, at least seven are connected with the Oilfield Workers Trade Union, including Mr. Weekes himself and the union's legal adviser, Jack Kelshall; the rest are adherents of "black power."

Legislation

Dr. Williams has indicated that the Emergency will give the Government the breathing space it needs to introduce new labour legislation to demarcate union jurisdiction, eliminate poaching, regulate strikes and go-slows, control processions and demonstrations and revise the Seditious Utterances Ordnance, with special emphasis on the preaching of racial hatred, and that Parliament will sit virtually continuously until all these laws have been passed.

Senate defeats second Mansfield amendment

BY GUY DE JONQUIERES

WASHINGTON, Nov. 24.

THE SENATE last night approved a $70,800m. defence appropriations Bill, after defeating an attempt to force the withdrawal of U.S. troops from Europe and adding $500m. in military credits for Israel.

The move to cut back NATO troops was the second this year put forward by Mr. Mike Mansfield, the Senate Democratic Leader. Like his earlier resolution, last May, it was rejected by a sizeable majority of 54-39.

Mr. Mansfield's amendment called for the withdrawal of 60,000 of the 310,000 American troops stationed in Europe by next June 15. He wants to reduce *American external liabilities at a* time when the domestic economy is under restraints.

An influential factor in the defeat of the amendment was a letter sent by President Nixon to *Mr. John Stennis, Chairman of* the Senate Armed Services Committee, calling for bi-party action to reject it.

Mr. Nixon mentioned that Mr. Manlio Brosio, former Secretary General of NATO, will visit Moscow next week to open talks on mutual balanced force reductions with the Warsaw Pact Powers.

The President argued that an ill-considered reduction of American troops levels at this time could jeopardise these negotiations by showing the U.S. Government to be beset by weakness and disarray.

The Senate, alarmed by the deterioration of the Middle East situation, also voted $500m. in arms credits to Israel, half of which should go towards the purchase of the 500 Phantom military aircraft which Israel is seeking. This amendment is intended to put pressure on the White House and on the Secretary of State, Mr. William Rogers, to resume Phantom deliveries. Mrs. Golda Meir, the Israeli Prime Minister, is to visit *Washington on December 2* and is expected to ask President Nixon personally to resume the shipments.

The White House spokesman said that Mr. Nixon does not *oppose the amendment, but that* his decision on whether or not to use the additional funds would depend entirely on his assessment of the Middle East situation.

Peru negotiates more oil deals

LIMA, Nov. 24.

THREE more foreign oli companies are negotiating contracts for exploration-development work in Peru's Amazon basin, Petroperu, the state oil company, said to-day. A Petroperu communique identified the companies as Phillips Petroleum, Amoco International Oil, a unit of Standard Oil (Indiana), and Shell Oil.

The companies are seeking contracts similar to those already signed with three other foreign companies for exploration-development of oil resources in Peru's north-eastern jungle, Pertoperu said.

The state company last week signed a contract with BP. Previous agreements were signed with Occidental and with Tenneco and Union Oil jointly.

AP-Dow Jones

U.N. university proposed

BY OUR OWN CORRESPONDENT

UNITED NATIONS, Nov. 24.

A *UNIVERSITY* that would have no campus and award no degrees but be devoted to furthering peace and progress may be established under United Nations auspices if the UN Economic and Social Council and General Assembly approve proposals submitted by an international panel of experts.

Among them was Sir Mansfield Cooper, former Vice-Chancellor of the University of Manchester, and Dr. Davidson Nicol, a former lecturer on surgery, who is now the Sierra Leone High Commissioner in London. Dr. Andrew Cordier, former executive assistant to the late Secretary-General Dag Hammarskjoeld and now Dean of Columbia University's Graduate School of International Affairs, presided over the group.

There has been specgulation that, if the project goes through, U Thant, the UN Secretary General who was a teacher before he became a diplomat might be appointed the first Rector. He is to retire from office at the end of this year. U Thant first suggested to the General Assembly two years ago the idea of an inter national university to stimulate creative thinking and research on world problems.

In his report on the study and consultations of the project that have been taking place, he says, "what is now contemplated is not a university in the conventional sense of the term," but a flexible system of co-operation among scholars and institutions engaged in higher learning and research under a small programming and administrative unit.

$60m. bulk oil storage depot and port for New Brunswick

BY OUR OWN CORRESPONDENT

HALIFAX, Nova Scotia, Nov. 24.

CONTINENTAL Oil Co. is to build a $60m. bulk oil storage depot and deepwater port at Lorneville, 10 miles south-west of St. John, New Brunswick.

The terminal will be used for storage and transhipment of ... and Gulf crude to ... on the U.S. eastern seaboard.

Construction is to begin early next year and the first of three berths is expected to be ready for operation by mid-1973.

Up to $14m. of the cost of the ... barrels capacity depot is to be supplied by the New Brunswick Government, about ... of this will be involved in construction of the main ... and will be recoverable through user charges extended over ... years. No expenditures by the Canadian Federal Government are to be made but New Brunswick's Premier, Mr. Richard Hatfield, said federal assistance for the project would be welcome at any time.

The docking facilities will extend 1,200 feet from shore into a depth of 105 feet of water. One of the three berths will serve supertankers of up to 300,000 deadweight tons. The other two will be for shuttle tankers of between 50,000 and 60,000 tons. The large superanker terminal will be a multi-use facility, available to other operators. The two smaller berths will be controlled by Conoco.

Refinery plan

The U.S.-owned oil company is considering construction of a 200,000 barrel-a-day oil refinery near the port site. A $60m. oil-fired thermal generating station is being constructed there by the New Brunswick Electric Power Commission. Conoco is expected to bid on fuel supplies for the refinery, but it has been given no advanced commitment by the provincially-owned power authority.

The St. John area is one of the few places on the eastern seaboard of North America capable of accommodating vessels of 300,000 tons. Irving Oil Company, of St. John last year opened a $14m. floating oil wharf at nearby Mispec Point. It supplies crude to the company's 100,000 barrel-a-day St. John refinery.

Plans have also been announced for a bulk coal and iron ore trans shipment depot at Lorneville, involving Japanese steel interests.

Export News

Kenya deal for Mowlem

THE Mowlem Construction Company has won a £1.2m. contract to build infrastructure for the £14m. Broderick Falls Pulp and Paper Mills, it has been announced in Nairobi.

The mills, located about 240 miles north-west of Kenya's capital, are expected to begin production by 1974, and will then provide 85 per cent. of paper products at present imported against foreign exchange, and employ 1,500 people.

Mowlem will construct industrial buildings, roads, fencing, drainage, water treatment works, effluent works, sanitation works, offices and staff houses.

Finance for the project is being raised by the Kenya Government, in conjunction with the World Bank, the International Finance Corporation *and Orient Paper Mills of India.*

EXPORT PROMOTION

PLA move opens way for World Trade Centre plan

BY DAVID CURRY, EXPORTS EDITOR

THE final shape of the London World Trade Centre has been revealed with the announcement *that Taylor Woodrow is buying* St. Katharine Dock House from the Port of London Authority.

Together with a warehouse also bought from PLA, Dock House, under its somewhat flattering new title of Europe House, will form the nucleus of the World Trade Centre and will be the first part to be completed.

The Port of London Authority is moving some of its administration into Europe House early next year, and will be joined by the London office of the Port of New Orleans.

The World Trade Centre is part of a £30m. redevelopment being carried out by Taylor Woodrow on the 26 acre site at St. Katharine by-the-Tower, immediately to the east of the Tower of London on the north bank of the Thames.

The complex will include conference facilities, hotel accommodation for 1,750 people, private and local authority housing for 2,000 people, a yacht basin designed from the 10 acres of harbour, entertainment facilities, a church, schools, shops and a health centre.

Some 1m. square feet of trading space will be provided, the *idea being to intersperse display* floor with office space. The displays will be permanent, unlike the large specialised exhibitions *planned for the proposed centres* at Birmingham and Northolt.

Taylor Woodrow will ensure full information, administration and secretarial services at the centre. Such systems as telex for on-line specification checks, *instant access* to trading information, and computer facilities have been envisaged for the benefit of smaller companies working on a time-shared costs basis.

A library will house specifications, delivery and price details of manufactured goods and mail services, travel and booking facilities, printing and distribution operations and bonded clerks to handle shipping questions are planned for the Centre. In addition the Centre will have its own radio and TV network and will be on the Fleet Line of London Transport.

The developer describes the aim as "the creation of an integrated community providing a total *business-living environment* for merchant trading in London." For those who like their environment plush, flats ranging from bed-sitters to penthouses complete with valet service will be available for leasing.

World Trade Centres are already in operation in New York, Tokyo and New Orleans. One is under construction at *Brussels, and Centres are* planned for Paris, Rotterdam, Amsterdam, Le Havre, Copenhagen, Sydney, Munich and Toronto.

On Tuesday the PLA announced the sale of its city HQ in Trinity Square for £9.3m. to Renslade Investments (Trinity Square).

Fife forge job for Russia

By Andrew Hargrave

A SMALL Scottish company, Fife Forge, of Kirkcaldy, has won a £140,000 order for propeller shafts to be installed in a series *of 12 Russian tankers being* built by a consortium of Finnish shipyards. Uudenkaupungin Telakka, Uusikaupunki, is the main contractor acting on behalf of two other yards.

Fife Forge employs about 140 workers *and 60 per cent. of its* output of marine forgings is for overseas customers. The company's current export orders include propeller shafts for shipyards in Brazil and Greece as well as spare shafts for Italian *shipowners.*

BRITISH TRADE IN THE MIDDLE EAST

Banking on mutual self-interest

BY DAVID CURRY, EXPORTS EDITOR

Mr. Michael Noble—cashing in on the import explosion

Sir Eric Drake—keeping the oil revenues flowing

BRITISH exporters should stand by to take advantage of "a mammoth import explosion" in the Middle East, Mr. Michael Noble, Minister for Trade, told a British Bank of the Middle East seminar in London yesterday.

In 1970 British sales to the Middle East, Turkey and Iran totalled £400m., and these could double within four years, he declared. Over the last three months exports had been running an annual rate of £480m. a year.

But Britain's showing was well below that of our major competitors. In the five years to 1970 our sales had increased by *less than two-thirds* in value, and inflation had paid a significant part in this rise. Italy and Germany had pushed up their sales by 90 per cent. in value and Japan doubled hers. Outside the three Maghreb countries, *France had also doubled* her sales.

Political image

Britain's advantage in the future would lay in the increas*ing sophistication of the markets,* the adjustment of sterling relative to competitive currencies as a consequence of the American monetary measures, and a more favourable political image as this country disengaged militarily *from the area.*

Mr. Noble reminded businessmen that ECGD would soon be *able to offer insurance against* political risks and that the Overseas Development Administration would be enabled, as part of the same reform, to underwrite pre-investment studies in the developing countries.

Britain would be extending its exhibits at international fairs with pavilions at Tripoli in the *spring and Algiers in the* autumn. Participation in the Baghdad Trade Fair in October depended upon sufficient interest being shown by British concerns.

Sir Eric Drake, chairman of British Petroleum, outlined the expected growth in oil revenues in the Middle East states. In 1970 the Middle East had produced 690m. tons of crude oil of which 236m. came from North Africa. Of the total receipts in *the order of £2,500m., Libya had* taken £540m., Saudi Arabia £500m., Iran £448m., Kuwait £374m. and Abu Dhabi £96m.

In addition to this, direct spending by the oil concerns locally was estimated at about £280m. last year.

The OPEC agreements were expected to push up receipts in the current year by £4,300m., some 54 per cent. higher than would have been earned at the *pre-OPEC settlement rates.* By 1975 revenues were likely to be running at £6,500m., or £2,800m. *more than 1970 rates would have* provided.

Sir Eric saw no immediate likelihood of a slackening in the rise of production or revenue. Some 65 per cent. of the world's recoverable supplies of crude *oil were in the Middle East and* North Africa.

However, the cost of recovery *would rise as harder structures* had to be tapped.

Alaskan and North Sea supplies would not replace the Middle East. The 100m. tons a year expected from the North Sea by 1980 would do little more than satisfy the rise in demand in Western Europe which was expected to be 75m. tons a year by 1980.

Quick returns

The world currency upheaval posed problems for the oil companies in that the oil revenues *were in dollars or sterling* and many of the purchases by the oil producers were from Japan or Western Germany. The producers were seeking compensation for the relative decline in their purchasing power. A joint fact-finding commission was examining this.

Mr. Richard Bailey, executive partner in the industrial consultancy Gibb Ewbank and Coy, said thatthe Middle East could, in certain respects, be classed as part of the developing world.

Although certain States had high income per capita (£1,500 per head in Abu Dhabi and £500 in Kuwait), others, notably Jordan and *Egypt, fulfilled many* of the classic symptoms of underdevelopment.

Wealth was highly *concentrated*, and although this stimulated investment, the investment *did not necessarily take the best* paths for the economy, partly because of the Arab penchant for a high, quick return on risk capital.

The fact that there were not large numbers of people on the *national payroll meant that* consumer goods were unlikely to find any dramatic new markets, he said.

The absence of a large sector of subsistence agriculture meant that there was not available a large reserve of manpower which could be pulled into industrial development, and many of the *favoured industrial projects* were, in any case, of a capital- rather than a labour-intensive nature.

The Middle East also suffered from administrative difficulties and lack of infrastructure. Bureaucracies were slow to get the development bit between their teeth and Governments tended to draw up development plans which duplicated each other.

Mr. Bailey thought that Algeria, Morocco and Tunisia provided immediate scope for *more* British business. Imports last year from OECD countries had been worth £588m., of which France had contributed £360m. and Britain only £25m.

The relative abundance of capital in the Middle East commended it for joint venture projects, since it was the transfer of skills and technology most in need.

The question of joint ventures was dealt with by Mr. Maurice Kewley, Arabian Gulf Area Manager for United Africa Company. Joint ventures, he thought, *had traditionally been defensive* mechanisms; now they could move on to the offensive.

Their defensive role was clear. They protected an existing market, particularly in face of *attempts* to create local manufacture and impose tariff and tax conditions to foster it, and they satisfied the demand for nationals to assume a wider role in the country's economy.

The Middle East partner might well have *assets* like land, buildings, manufacturing capacity, local management, and a thorough knowledge of his market, and the political structure of the country.

The foreign partner brought the product, *know-how, research,* specialised management skills in areas like marketing. Both sides frequently had the cash.

He stressed the need for each partner to have distinctive and necessary contributions to make, *and pointed out the importance* of making sure that each partner had the same concept of what constituted a good return on capital, over what period it was expected, and about the provision of further working capital.

Management responsibility had to be clearly defined, and the foreign partner had to get all the necessary Government clearances before proceeding with the project.

Consultancy

"Arab socialism is tolerant of the profit motive," Mr. Kewley declared. "The possibility of finding a basis for complementary self-interest is higher in the *Middle East than elsewhere.*"

An idea of the development priorities of the Middle East Governments was given by Mr. R. L. Fitt, a partner in Sir Alexander Gibb and Partners.

In 1970, he said, 30 British consultancy firms were engaged in work with a value of £568m., which, over the life of the projects, he worked out at *about* £120m. a year.

Of this investment, docks and harbours accounted for 21 per cent. of the consultancy work, industrial development 18 per cent., drains and sewage 15 per cent., water supply 9 per cent., and roads and bridges were also accounting for about 9 per cent.

Broken down by countries, Saudi Arabia was responsible for about 30 per cent. of the work, the Trucial States about 20 per cent., Iraq about 13 per cent., Iran 11 per cent. and Libya 11 per cent.

He pointed out that much of the work under British consultancy was not being done by British contractors. In the three years from 1967 British contractors had got new work worth *£85m., while the French figure* was £115m., and the West German £104m. The British "catch" in 1970 was about £24m., representing some 7½ per cent. of overseas contracting efforts.

IN BRIEF

Faircrete to be made in North America

Laing Construction Services Inc., member company of the Laing Group in America, has signed an agreement for the manufacture in North America of Faircrete, a decorative concrete developed by Laing in Britain. The agreement is with Span-Deck Inc., of Nashville, Tennessee.

Span-Deck will icense precast concrete producers throughout the U.S. and Canada and will manufacture the necessary machinery for Faircrete production. Span-Deck is a concrete machinery manufacturer and licensor of a proprietary structural floor system which is marketed in North America.

Faircrete is made from the conventional constituents of concrete, *to which are added special* inert fibres and suitable air entraining medium. It has the ability to hold a deep profiled pattern, while retaining a high degree of workability. Sculptural effects in fine detail can be achieved, *the company claims.*

*

Marking small gas cylinders

Tradimpex, of Zagreb, Yugoslavia, has ordered a £4,000 special marking press from Edward Pryor and Son, Sheffield, to apply marks to small gas cylinders for use in hospitals. The cylinders contain various types of anaesthetising gases and are designed to hold the correct volume for one patient. Since the *gas may* be administered by nursing staff as well as specialist anaesthetists it is essential that the contents are clearly indicated.

Previously the small steel cylinders, only two or three *inches in circumference*, have been marked by hand punches. Pryor's hydraulic EP67 roll marker can apply several lines of consistently deep characters and the output can be as high as 700 units an hour. The machine *is hand fed and automatically* cycling, controlled by a single foot pedal. Marking pressure is 4½ tons.

Iceland is to send a group of its air traffic controllers for training in the U.K. Under an agreement between the Civil Aviation Administration of Iceland and International Aeradio, 18 students will attend the IAL school of air traffic control at Southall, near Heathrow, during the next few months.

A seven-week course in secondary surveillance radar is being prepared to include theoretical classroom training and practical experience on the school's radar simulator. It will be attended by the first 10 *students in January*, 1972, with the rest undergoing their training in January, 1973.

The radar simulator will be specially programmed to reproduce the traffic patterns of the Reykjavik oceanic control area which *includes the transatlantic* air traffic passing through the region.

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hristopher Lorenz

FRANKFURT, Nov. 24.

a widespread lock-out in st German metal working only just over 24 hours the union to-day began to reopen negotiations e employers.

er side in the deadlocked spute expects talks to be fore the introduction of -out.

ffects of the three-day-old ave begun to spread right he country, as companies with firms in the worst as, Stuttgart and Mann- an into production diffi- because of a shortage of ents.

wing the escalation of the situation in the North North Wuerttemburg the employers decided lock-out would affect all n the area employing over orkers. A total of 544 ies would be hit, employ- ut 360,000 of the region's metal workers. To-day's picture was almost the as yesterday's 120,000 s out at about 80 plants.

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parities

hristopher Lorenz

FRANKFURT, Nov. 24.

RATED American re- to devalue the dollar not be taken too seriously, esident of the West Ger- Bundesbank indicated to- Dr. Karl Klasen added that was a real chance that pro- towards the fixing of new s would be made at next meeting of the Group of Rome.

Klasen's assessment of ngton's readiness to com- e was not given directly. I, he stated flatly that ne knew that there was no of agreement without an can devaluation. He then d that Mr. John Connally, ecretary of the Treasury, so said there was a chance eement in Rome.

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Reginald Dale

BRUSSELS, Nov. 24.

ASTON Eyskens, Belgium's ng Premier, to-day ed King Baudouin's invita- o form a new Government aid he would aim at renew- the coalition that has ned the country since 1968.

U.K. warns EEC against tampering with treaty

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, Nov. 24.

BRITAIN to-day issued a firm warning to the Six not to try to tamper with the terms of *Common Market entry by inserting* new elements into the Accession Treaty not covered during the course of the membership negotiations. U.K. officials are particularly worried about the agricultural chapters of the treaty, which is now due to be signed in less than one month.

At to-day's session of the negotiations at deputy level, Mr. Freddie Kearns, chief British negotiator on agricultural affairs, said that drafts had still not been given to the U.K. on certain key points agreed earlier in the entry talks. He accused Community experts in the multilateral treaty-drafting committee of trying to add new legal provisions which went beyond the scope of agreements reached between the two sides at political level.

'Cheating'

British officials said the sections of particular concern to the U.K. are those covering deficiency payments, the time-*table for the dismantling of* horticultural tariffs and the treatment of Commonwealth sugar exports to the Community after the Commonwealth Sugar Agreement expires at the end of 1974.

Although more diplomatic language was used inside the meeting, British sources are privately accusing the Six of cheating by trying to recover ground in the treaty drafting which they had either conceded or overlooked in the formal negotiations.

Another example, in the British view, of Community sharp practice concerns Britain's contribution to the Community's budget in the transitional period. The Community apparently forgot to make provision for the *payment of farm levies on* British food imports from the Six into the common farm fund during the transitional period. The Six are now trying to include this in the treaty, but the British see no reason why they should.

Britain also sharply rejected to-day a Community proposal on animal health regulations as *being totally unrealistic.* There is a profound difference of view between U.K. and Community experts on methods of dealing with foot-and-mouth disease (the U.K. slaughters, the Community vaccinates) and the issue is now to be taken up in contacts with the Brussels Commission.

The U.K. also took a tough stand on a request that exports of Scotch whisky, a grain-based product, should be granted rebates under the Common Agricultural Policy. Britain is asking the Six to amend their regulations to ensure that such subsidies will be available before the U.K. joins the Community on January 1, 1973.

But apart from a few major points of contention, a large number of other items were finally settled at to-day's meeting, which had a record run of 23 points on the agenda. Britain agreed to align with the Community's system of generalised preferences for developing countries after a one-year transitional period on January 1, 1974, and a two-year period was agreed for alignment with Community arrangements for "drawback" (the system under which exporters can reclaim duty on imported raw or semi-finished materials).

Settlements

Settlements were reached on food additives and the use of antibiotics in animal feedstuff, and on the value of duty-free gifts that U.K. travellers may bring back to the country after more than 24 hours abroad. The value is to be increased from £10 to around £30 from the date of entry, excluding items like *wine, spirits, and tobacco.*

Finally, it was agreed that the status of U.K. military bases in Cyprus would be discussed in the *context of trade negotiations* with the island's Government, which has asked for an association agreement with the enlarged Community. *It* was also agreed that the U.K. could continue its present regime on imports from Papua and New Guinea during the five-year transitional period, before the end of which the arrangements would be reviewed.

The Common Market is now sounding out the U.K. and the other three candidates for membership on a new proposal on fishery limits, the last major political issue of the entry negotiations. In an attempt to move closer to the position of the candidates, the Community is now offering an overall six-mile limit, with special areas in *which 12-mile limits could be* maintained, plus protection for certain kinds of fish in the six- to 12-mile belt.

Revised

The new proposal is a revised version of an earlier suggestion by the Community under which six-mile limits could be maintained for at least ten years, with a few 12-mile exceptions. The Community is now offering additional areas where the 12-mile limit could apply, for example, the North-West of Ireland, and conceding that some fish should be protected for up to 12 miles, even where the six-mile limit is the general rule.

The kinds of fish the Community is thinking of are principally salmon and crustaceans. This would ensure 12-mile protection for Devon and Cornwall shell fishermen, in addition to the separate 12-mile limit the Community earlier suggested for the Orkneys and Shetlands. It would also extend similar protection to numbers of fishermen in other parts of U.K. so far not included in the 12-mile area proposed by the Community.

The whole issue will come to the boil in Brussels next Monday, when Ministers from all four candidates will be here for entry negotiations. Although the new proposals are much more favourable from the U.K.'s point of view, Britain does not want to make a final settlement until it knows what the other candidates are going to get. The U.K. is firmly on the record that Britain must get at least "comparable" treatment to that given the other candidates, including Norway, where the problem is *even more politically delicate.*

THE GATT

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Overtaken by events

BY DAVID EGLI, GENEVA CORRESPONDENT

THE OLD SAW about people in glass houses not throwing stones is likely to be levelled at the American trade negotiators as a result of their uncompromising call for a major study on the extent to which the rules of GATT are being eroded by pre-*ferential* and *special* trading arrangements. Critics of the American position, including the European countries, will of course retort that, *in their* application of a 10 per cent. surcharge on imports, in their provision for tax advantages to domestic international sales corporations (DISCS) and in the "Buy American" aspects of President Nixon's present commercial policies, the Americans themselves are riding roughshod over some of the basic provisions of the GATT agreement.

Disdain

In this sense, the proposal introduced by the U.S. delegate Mr. Herbert Propps, to the 27th session of the Contracting Parties here in Geneva may appear to be one-sided. The first consideration motivating the U.S. move is said to be "a sincere and deep belief that *strong* adherence to the rules of GATT is indispensable to the continuation of progress *toward a successful* multilateral trading system."

Although the GATT provisions do, of course, make allowances for balance of payments difficulties, the form, at least, of the American across-the-board surcharge on imports, displays the same "disdain" of GATT principles of which the U.S. accused Britain for resorting earlier to the same device.

But however one-sided the current attack on preferential agreements may be, few will choose to claim that it is unfounded and no one can consider it as unexpected. What, in fact, has happened is that the American Administration has adopted the position of the Senate Committee on Finance as spelled out in a staff analysis at the end *of last year.* This, in effect, said that GATT should be redrafted to take out the "inequitable provisions" which discriminate against certain countries, namely of course the U.S., and put in new provisions to cope with new conditions in the world economy. Mr. Russel Long's committee, beside finding that the safeguard on balance of payments is "an anachronism . . . inconsistent with other principles in GATT," found that the General Agreement as presently constituted "is not a guide to fair trade." It should be, in the view of this analysis, redrawn to provide the principles of fair and free trade, "before the Congress approves its provisions."

This latter stipulation may come as something of a surprise for those who have been following the work of GATT in the years through the Dillon and Kennedy rounds and seen the efforts of the U.S. executive to bring home to Congress the "international commitments" of the U.S. under GATT. In fact, however, the basic agreement of 1947 was never submitted to Congress and is being observed in Washington through a "protocol of provisional application"—there are signs that the Administration has now bowed to the Congressional complaint that the same respect for "international commitments" should be demanded from other Contracting Parties as is expected by the Administration of the U.S. itself.

The thrust of the American attack is centred on the extensive watering down of the Most Favoured Nation rule which, as article one, has been considered as the cornerstone of the GATT. There is no question but that the General Agreement does sanction departures from unconditional MFN treatment in the case of customs unions and free trade areas. The complaint, however, of Congress is that these "exceptions" effectively allow European countries to depart from MFN treatment "when *it* suits their commercial interests." Mr. Propps in his presentation was following a realistic line when he complained that the European Economic Community appeared to have preferential tariff arrangements with approximately 28 countries *in addition* to its ties with dependent countries and territories. He did not point out, as the Senate study did, that the legal question of whether the Rome Treaty is consistent with GATT has never been clearly settled.

This is obviously academic but *what is less so is that* when all the free trade areas, customs unions and other special trading arrangements around the world are added up, one arrives at a massive undermining of the very basis of the universal free trade concept. The GATT tariff study itself shows that the 16 industrial countries covered by that study, imported $112,000m. worth of industrial products of which some 30.4 per cent. were traded under preferential rates of duty. With the breakdown of this huge percentage available in the official tabulations, it is hard to take issue with the American contention that the 80-odd GATT Contracting Parties have drifted into two groups of countries, those belonging to preferential agreements and those who do not, or do so only on a minor scale.

The working party which the Americans are calling for will have to determine for each country the breakdown between imports at MFN rates and those at preferential rates during the last 15 years, and to analyse and to evaluate the implications of these trade flows. This is a difficult exercise, but it appears both to be worthwhile and necessary. For several years now, the GATT secretariat has been industriously working on the remaining obstacles to trade after the full application of the Kennedy Round provisions. It has prepared a comprehensive analysis of the tariff situation as it will exist next year and has fed much of this information into a computer so that areas where further balanced reductions can be achieved are readily identifiable. But the brunt of the secretariat efforts has been directed against non-tariff barriers, which were virtually excluded from the Kennedy Round and previous trade liberalisation negotiations but which constitute significant obstacles to the free flow of goods internationally.

So far, detailed studies have been produced concerning three main areas. In the field of customs valuation there have been efforts to reconcile the systems used *in* North America *and* Australia, based on fob prices, and the cif base line employed by the signatories of the Brussels convention. Differences in national standards, particularly health and safety regulations, have also been reviewed and in a third area Government involve-*ment in import licensing and* official procurement policies has been examined. In the present session of the Contracting Par-*ties, there has been some debate* on the advisability of including export subsidies, import documentation, and marketing and *packaging regulations in* the growing list of non-tariff barriers.

But however much preparation goes on in these areas, whether purely on a secretariat basis or through the discussion in working parties and study groups, it should be abundantly clear by now, if it has not been for some time, that the chances of further trade liberalisation progress in restricted fields depends on a broader review by the Contracting Parties of where GATT stands at present and how effective its rules are in the conduct of international commerce. Everyone appears to agree that *if GATT didn't exist,* it would have to be invented. But there is no guarantee, in that hypothetical eventuality, that the agreement would come out looking anything like the work of the founding fathers back in 1947. The pattern of world trade since then has changed beyond recognition.

Damage

For a long time, Mr. Oliver Long, the present Director-General of GATT, and others, have been warning that the most effective way of avoiding a retreat into protectionism is to maintain some forward momentum in trade liberalisation efforts. Now, "daily, the climate prevailing in international trade matters is tending to deteriorate," according to the Chairman of the Contracting Parties, Senor Carlos Besa of Chile. "If the present confrontation continues, *a return to protectionist policies* would appear to be inevitable, with serious damage to the economies of the Contracting *Parties as a whole."*

Soviet sets itself new economic target

BY OUR OWN CORRESPONDENT

MOSCOW, Nov. 24.

THE SOVIET Prime Minister, Mr. Kosygin, to-day outlined a programme of steady economic expansion to put Soviet industrial and agricultural production above the present U.S. level by 1975.

In a speech to the Supreme Soviet to-day, he said that heavy industry and defence will not be overlooked in the drive to raise the standard of living.

For the second year in succession, no increase is to be made in defence expenditure which will remain at the present level of 17,900m. roubles (just over £8,000m.). Defence will therefore *account for 10.3* per *cent.* of the total budget—a drop of 0.8 per cent. and the lowest figure in relation to Government spend-*ing for two decades.* The allocation figure does not, of course, cover all defence expenditure, which is reckoned to account for about a quarter of the portion of national income available for growth purposes.

National income in 1972 will be 173,700m. roubles. Industry is to take 82,600m. roubles. On the basis of the results of the first ten months of this year, the main targets of the 1971 plan are expected to be met with over 5,000m. roubles worth of goods manufactured above the plan.

The grain harvest this year was 180m. tons which, although less than that of last year, is higher than the previous record of 171.2m. tons in 1966 and in view of the unfavourable weather conditions is considered *a success.*

Mintoff's aim: developing Malta for the Maltese

Y SANDY McLACHLAN

VALLETTA, Nov. 24.

TA'S George Cross image is shed in many British eyes. New Labour Government r the leadership of Mr. Dom off has broken away from role of the U.K.'s military terranean fortress. Mr. off's much publicised ngness to sell his grand our on a commercial basis e highest bidder (Eastern not excepted) has upset who feel it is British by e right.

is move and its strategic cations have earned Mr. off and his new Malta a British Press. He heads a list Government, but in fact s seen in many quarters as ore dangerous animal than ly a Socialist prime minister. fact what he seems to be ng for is a Maltese Malta: nore and certainly no less. e is no doubt that he is anti-*sh in some respects,* but it ly on particular issues where feels Britain has taken ntage of Malta. It is not a *er of principle.*

er sensitive

is week, Mr. Mintoff gave his official Press conference to British Press since coming ffice five months ago. He the impression of being sensitive about the ways in h Britain has harmed his d (he is particularly uptight the way British property ulators made a lot of money the property boom in Malta, *e the Maltese economy and* le got little benefit). But this t, he is genuinely trying to e Malta a country which is on behalf of its 315,000 bitants, and not for anyone .

pparently he is succeeding. ding between the lines it is r that the island's days as a sonal tax haven are numed. There is a "*temporary*" argo on the residence pers which allow people to live the island and pay income at 2½p in the £, but which bibit them from working or ing part in politics. Currently chances of this embargo ng lifted seem small, and the Government is wrestling with the *problem* of how to deal with the 2,500 families who are already *on the island under this scheme.*

But Malta is attracting industry now. Mr. Mintoff regards the tax haven experiment as a *failure since it produced* only capital which lay fallow and (in his view) a social problem of a group of people which is not integrated with the indigenous community. Instead he is, consciously, destroying the island's image as "a heroic British fortress" and thus offering other countries the possibility of participation. Concrete results are so far few, but the *increase in interest has been sub*stantial. Feelers are coming in from all parts of the globe, and as a result of a recent explora-*tory delegation from Japan there* are high hopes of attracting elements of Japanese industry to the island.

Mr. Mintoff is relying on Malta's existing attractions rather than trying to offer yet more artificial aids. On his side he has low company taxation (25p in the pound), a stable society with a skilled work force available, and a favourable wage pattern. The last is probably most important since the average weekly wage in the dockyard—ignoring overtime—is about £10, and elsewhere on the island the going rate is about £10 a week.

Lame ducks

This to Mr. Mintoff is enough. To use his own words, "incentives only attract lame ducks." For obvious political reasons he will not spell out the lame ducks *which the island has attracted,* but he did say "we have some textiles which are accident prone."

In fact Mr. Mintoff has brought a clear mind to bear on most aspects of his policies. On rela-*tions with Britain he comments* that the loosening of ties is a two-way thing. "To-day," he says, "the entire British fleet would not fill the grand harbour." Whatever the strategic implications of this, it is clear that in economic terms Malta has to forge new links to exploit its harbour to the best advantage, and the same applies to other areas of the economy.

Clearly then, Malta is not going to be the same in the future. Mr. Mintoff reckons that the next 18 months will be make or break time for the island in terms of its new blueprint. If he gets his industry then he will be able to fully employ his labour force, and by the same token stop the steady trickle of emigration which has lost the island 100,000 people since the war.

The problem is being tackled on many fronts. The most important is undoubtedly the willingness to discuss with anybody and everybody, but another important factor is the attempt to get tourism—a major factor in the economy—on to a less artificial basis. Here again it is not a question of reducing the proportion of British tourists on ideological grounds: it is merely that in geographical terms the split is uneven, with such high proportion coming from Britain. This is considered unhealthy as a long term economic proposition.

Quirks

But inevitably, with a government of firm political conviction *there are quirks in the system.* A lot of discussions are in progress with Libya to explore the possibilities of mutual co-operation. This is rationalised on economic grounds, but one is still left with the impression that Mr. Mintoff finds Libya an acceptable partner more because it is another small, vulnerable, country.

On the political side of the picture the Maltese Labour Party's brand of Socialism is an important factor. State involvement is the order of the day. "We do not want to give loans and grants," says Mr. Mintoff, "but we do want participation. I am not saying that we want 51 per cent., but in the long run the percentage is not important."

He emphasises that participation and nationalisation are not the same thing. "Reports that we will nationalise Barclays Bank are not true," he says. "But we will compete with it."

RHODESIA: HOW THE NEWS WAS RECEIVED

Industry cheered by trading prospects

BY MICHAEL BLANDEN

THE prospect of renewing normal trade and commercial relationships with Rhodesia was widely welcomed by British industry yesterday. The tobacco and asbestos companies, both holding substantial historical interests in the country, were particularly hopeful of the benefits which would follow political agreement.

At the same time, the news brought sharp rises in hectic dealings in the dozen Rhodesian Government stocks, on which interest and redemption payments have been frozen since UDI. The leading Rhodesian stock on the market, the 2½ per cent., 1965-70, showed a gain of £25 at £73 per cent. against its low this year of £26, while other stocks recorded rises of up to £30.

How prices rose

Southern Rhodesia		£		
2½%	'65-'70 ...	73	+	25
3%	'71-'73 ...	67	+	22
3½%	'61-'66 ...	75	+	21
3½%	'67-'69 ...	74	+	24
3½%	'80-'85 ...	55	+	15
4%	'72-'74 ...	70	+	20
4½%	'87-'92 ...	65	+	27
5%	'75-'80 ...	65	+	30
6%	'76-'79 ...	75	+	23
6%	'78-'81 ...	75	+	18
Industrials		p		
Cape Asbestos...		167	+	12
Stocklake Hldgs.		153	+	8
Turner & Newall		175	+	9
Minet Hldgs. ...		350	+	10
Mines				
Coronation		55	+	5
Globe & Phoenix		106	+	20

Trade balance

It was pointed out that restoration of the old trading relationships between Britain and Rhodesia could mean a significant improvement in the U.K. balance of payments. Last year, Sir Alec Douglas-Home put a rough value of some £40m. on the cost of sanctions to the balance. It was also pointed out, however, that a great deal would depend on the details of the settlement, and on how far the old pattern of trade would be resumed after a six-year gap. In particular, it has to be assumed that, following settlement, Rhodesian exports would continue to get Commonwealth preference in Britain.

The Tobacco Advisory Council welcomed the news, pointing out that before UDI Rhodesia had provided about a third of Britain's tobacco requirements. Britain's imports of some £19m. in 1965 accounted for a high proportion of Rhodesia's tobacco exports of £47m.

The cost to the U.K. tobacco industry of switching to alternative sources of supply was estimated in 1967 at some £16½m.—of which £10m. was accounted for by Imperial Tobacco. With the final exhaustion of U.K. stocks of Rhodesian tobacco around the end of 1969, the U.K. manufacturers have now had to fill the gap completely from other sources.

Their success in finding other producers has probably reduced the real cost to them of the switch. And while it is thought likely that trade with Rhodesia, recognised as an efficient producer of high quality leaf, will be resumed on a substantial scale, it is uncertain how quickly this can be achieved. This will depend partly on arrangements made about Rhodesia's existing substantial tobacco stocks and on the alternative trading arrangements built up over the last six years.

Great benefit

Turner and Newall, the company with probably the biggest individual interest in the situation, commented: "We welcome the prospect of being able to resume our normal relationship with our subsidiary companies in Rhodesia, and we are confident that this resumption will be greatly to the benefit of our companies in Rhodesia, in the U.K. and elsewhere." The company promised further information for stockholders as soon as possible, but pointed out that after a complete separation of six years, "it is reasonable to expect that it will take some time to recreate the intimate interworking which existed previously."

Earlier this year, the group's chairman, Mr. R. M. Bateman, pointed out that the company could not find sufficient alternative asbestos supplies of the right quality, and put the cost of the loss of contact with Rhodesia at well over £10m. up to the end of 1970, increasing by some £3m. a year.

In the car industry, the Society of Motor Manufacturers and Traders pointed out that it would take some effort to win back the Rhodesian market. In 1965, the motor industry's total exports to Rhodesia had been £9.5m., while British cars accounted for some 10,600 of the 15,600 foreign cars imported to Rhodesia from outside Africa, and 3,200 of the 5,400 imported commercial vehicles. "No opportunity will be missed to make sure that the Rhodesians are again given the opportunity to buy and drive British vehicles."

Lord Stokes pointed out that before 1965 the present British Leyland group had been successfully operating three plants in Rhodesia for the assembly of cars, Land-Rovers and commercial vehicles. "We hape that the new development will enable us to resume operations there as soon as possible."

Disbelief among Labour MPs

BY RICHARD EVANS, LOBBY CORRESPONDENT

SIR Alec Douglas-Home is certain to face hostility and disbelief from the Labour benches when he outlines the proposed agreement with Rhodesia to the Commons to-day.

Opposition leaders preferred to await his statement before committing themselves but there was scarcely a Labour MP to be found last night who was not already convinced that any settlement must entail a sell-out to Mr. Smith and the Rhodesian Front.

Most Conservative MPs were jubilant at the result and even the Tory Left, always sceptical about the chances of a successful agreement with Mr. Smith, believed that Sir Alec must have struck firmly within the framework of the five principles.

Debate

The political conflict to-day and next Wednesday, when the proposed agreement will be debated in more detail, is likely to be along strictly party lines to the intense relief of Ministers. Any unease in the Tory ranks is unlikely to find much expression until the results of the tests of acceptibility are known.

Sir Alec is expected to return to London very early this morning. After a rest, he will attend a meeting of the Cabinet in the late morning to brief his colleagues fully before he makes his detailed statement to the Commons. The Foreign and Commonwelath Office hopes to publish a White Paper on the proposed agreement in mid-afternoon, and more detailed background papers will be published to-morrow or early next week.

Because of the secrecy pact in Salisbury, no details of the agreement were available in London beyond an insistence by Ministers that it was within the five principles. Nevertheless, the Government accepts that there is certain to be great hostility to any settlement from some members of the UN and the Commonwealth.

Sanctions

Much emphasis is being placed on the importance of the test of acceptibility by the whole Rhodesian people. This will probably take up to two months to complete by a judicial commission which will have to make a detailed assessment of the feelings of both Africans and Europeans about the agreement.

It is only if this process is completed successfully that the British Government will be able to go with Parliamentary approval to the UN to recommend the lifting of mandatory sanctions. Until then, all the present restrictions on Rhodesia will be maintained.

The domestic political battle is likely to continue throughout this period, particularly during the test of acceptibility. The Labour Party's National Executive showed its dismay by its decision yesterday to send a small group to Rhodesia to make its own assessment of African opinion.

The "shadow" Foreign Secretary, Mr. Denis Healey, will lead the deputation, and other members will be Miss Joan Lestor, the Left-wing MP who has always shown a deep interest in Rhodesian affairs, Mr. Joe ormley, the mineworkers leader who is chairman of Labour's International Committee, and Mr. Tom McNally, head of the party's International Department.

In the meantime, the Opposition will pay particular attention to what Sir Alec has to say about the time-scale before African majority rule can be achieved and the future of discriminatory legislation.

The yare also likely to demand a very lengthy-time period of up to six months for the test of acceptability, and the release of the African political leaders now in detention.

Mr. Arthur Bottomley, Labour Commonwealth Secretary when Rhodesia declared UDI six years ago, warned yesterday that what was happening in Ulster now would be repeated in Rhodesia in some years time.

"It is my forecast, regretably, that European Rhodesians will regret to-day because Africans will realise they cannot get what they want by democratic and peaceful development and they will be turning more and more to violence," he declared.

Mr. Healey said he was "a little uneasy" about what might be in the agreement, and his minimum conditions for a settlement would include acceptance of the objective of African rule, the end of the Land Apportionment Act, guarantees against retrospective amendment of the agreement and consultation of Africans by totally impartial people.

In contrast, Sir Alec was congratulated by the Monday Club of Right-wing Conservatives on "the triumph of common sense and good will." A Conservative motion was tabled in the Commons last night congratulating Sir Alec on the success of the negotiations

Sir Alec and Mr. Smith shake hands after the announcement in Salisbury

Vorster praises statesmanship

BY OUR OWN CORRESPONDENT

CAPE TOWN, Nov. 24.

THE settlement of the dispute was welcomed by the South African Prime Minister, Mr. John Vorster, and the leader of the Opposition, Sir de Villiers Graaff.

The Prime Minister said: "I am glad that the Governments of Britain and Rhodesia have reached a settlement, for the sake of Rhodesia, States in southern Africa and the free world. I congratulate the leaders of both sides on their statesmanship. I have already conveyed the congratulations of the South African Government to both Governments."

Here, Government and Opposition leaders hailed the announcement of a settlement as the start of a new era.

Sir de Villiers Graaff said: "This is good news for all friends of Rhodesia and also for all South Africans. With a satisfactory settlement, Rhodesia can play a most important role in Southern Africa, not only because of her commercial and industrial potential, but also because of her long record of stable and responsible administration.

"A prosperous Rhodesia restored to international respectability would be a big asset to South Africa, would help to secure her northern boundaries and improve the stability of the whole of southern Africa.

"Best of all, it would remove at least one of the causes of friction between South Africa and the Western world. No matter how acceptable the terms of the settlment are for Britain they will almost certainly be condemned by the Afro-Asian bloc in the UN. They will try to exploit the situation to bring Britain in disrepute and to further their own ends," he said.

U.K. calls UN meeting

NEW YORK, Nov. 24.

SIR COLIN CROWE, chief British delegate, asked for the convening of the UN Security Council to-morrow so that he might make a detailed statement on the proposals for a Rhodesian settlement. The Council president did not respond immediately to the request but consultations among the members were taking place this evening and it appeared virtually certain that the meeting would take place.

Sir Colin's statement is expected to be one of the longest ever made in the UN by a British delegate and to go into great detail about the proposals. A delegation spokesman said the Ambassador would "both inform and explain."

What he would not do, the spokesman emphasised, was ask the Council to lift the economic sanctions it applied by a mandatory resolution adopted in May, 1968. Observing that the process of obtaining approval of the settment by "the people of Rhodesia as a whole" and subsequent legislative action in London and Salisbury might take months to complete, the spokesman said: "There can be no question of lifting sanctions meanwhile."

Smith's Right wing certain to become more dominant

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

SALISBURY, Nov. 24.

"SOONER or later Mr. Smith is going to have trouble with his Right-wing." This remark, or variations of it, has been a staple of Rhodesian political conversation before the settlement signed this morning, especially among people who consider themselves in the middle of the road, or to the Left of the ruling Rhodesian front.

The argument may well be fallacious but now that a settlement has been achieved the potential as well as actual strength of the Right is obviously worth examining in some detail.

Even before this week's news it had become pretty obvious that the leaders of Nationalist African opinion in Rhodesia believed—rightly or wrongly—that any settlement the British Government reached with Mr. Smith would fall far short of their aspirations.

The argument about Smith's Right-wing is that they, too, believed the Rhodesian Premier would sell them short, in a very different sense. And, now, they are likely to have much more power to influence the future than are the Africans. To-morrow's terms will therefore be awaited as eagerly by the Right-wing whites as by the Africans.

Intention

To most of those used to British politics, it may seem strange to talk of the Right wing of a party like the Rhodesian Front, all of whose members are, in British terms, well to the right of the Conservative Party. The division in the Front, however, comes over the party's principles—central to which is a specifically Rhodesian issue, land.

It should not be forgotten that a major reason for the formation and success of the Front 10 years ago was the intention of the then Prime Minister, Sir Edgar Whitehead, to repeal the Land Apportionment Act. To-day the central issue is that Act's much tougher successor, the Land Tenure Act.

The main point at issue is that the RF Right wing does not consider that the party has ever fully implemented its founding principles. The two key points are principle No. 7, which declares that the party will uphold the principle of the Land Tenure Act, and No. 9, which is worth quoting in full:

"The Party opposes compulsory integration and believes that the peaceful co-existence of people can only be achieved when communities have the right and opportunity to preserve their own identities, traditions, and customs, and therefore recognises the obligation of the Government and respective communities where necesary to ensure the provision of such separate facilities as will make this possible."

The key point is that the party has never managed, in its 10 years of existence, to implement fully these two principles. The Right wing intends that it should.

Toughest

Some political observers believe that the iron rule of Rhodesian politics is that the party always moves to the Right, and that each Prime Minister is more Right wing than his predecessor. Illustrations of this rule are certainly not hard to find in the past ten years, as successive congresses of the Rhodesian Front have become ever more strident in their demands for the implementation of the key principles.

In some circles last month's congress is considered the toughest so far. Resolutions included a call for the introduction of pas laws for Africans, for the siting of African townships away from European areas, for the introduction of the Property Owners Protection Bill (which would make it possible for groups of individual Europeans to demand the removal of individual Africans from white areas), and for a whole range of separate facilities for the races—from swimming pools to post offices—on the South African Apartheid model.

Not all, by any means, of these resolutions were adopted by the party, and the Government turned down the calls for separate facilities, mass removals of Africans and the like, principally on the grounds of cost and administrative difficulty but the demands are there.

In the past, because of the failure to implement the party's principles fully, a number of people have drifted away from the RF to form new Right wing organisations. The latest of them is the Rhodesian Conservative Party, involving a group of former RF Right-wingers, of whom the most prominent is Mr Jack Whiting, a trade unionist Earlier examples have included the Republican Alliance with Mr Robin James, a former prominent Fronter.

Significant

So far these breakaway parties have caused Mr. Smith little or no trouble—although, significantly, the only time the Right wing dissidents have made a showing was at the September by-election at Mabelreign, when an independent Right winger cut a massive RF majority at the general election last year to less than 100 votes.

A key development has, however, become discernible over the past 18 months which the argument goes, could radically alter this picture. In the past, the hard core of Right wing extremists has either left the party or been at grass-roots level and in no position to challenge the party leaders.

But now an important group has decided to fight from within the Parliamentary party, and, following the 1970 election, this hard core may well represent a fifth of the present RF MPs. How significant a challenge they may become to Mr. Smith will depend on two basic points.

The first is whether Mr. Smith gives them cause to increase their support, within and outside Parliament, and the second, and probably much the more important, is whether they can find a credible alternative leader to Mr. Smith.

Settlement

For the time being the issues are crystallised round the question of settlement. Will the terms on which Mr. Smith has settled prove to be too liberal for his Right wing, who do not want even to admit the eventual possibility of majority rule, do not want to see the "progressive elimination of racial discrimination," and who in general terms, do not like the idea of Rhodesia's "toadying" to Britain in order to gain recognition?

The Righ wingers who, individually, profess loyalty to Mr. Smith, will probably acquiesce in the settlement, but only (so the argument goes) because they want to gather strengh o challenge Mr. Smith on its implementation. The threat, however, may note ome for a year or two or until the while electorate has had time to feel the effects of the settlement.

But the key question is that of leadership, for so far the major weakness of the Right-wing has been its failure to produce another Ian Smith. The Rhodesian Premier has enormous charisma with the white electorate, and it is often said, not only by his enemies but also by his friends, that he is now in a position to sell almost anything to his white voters.

To the ordinary white Rhodesian voter he typifies what they consider best in their way of life. He is Rhodesian-born, he has a stake in the land, he has a good war record and a conventionally simple family life. He has few pretensions to great intellect or political subterfuge. In short, as one of his admirers said, he is the sort of man from whom you would buy a second-hand car.

This is a tough image to challenge, and most commentators here are nervous of tipping a possible successor from the Right wing. Most of theten or so MP's who are generally thought to be in the Right wing group are dismissed out of hand as possible challengers to Mr. Smith.

Occasionally the name of Mr. Wickus de Kock was born in Rhodesia, has considerable farming interests, and is believed to have considerable popular appeal. But with Mr. Smith as entrenched as he is, Mr. de Kock, or any other potential challenger is more likely to aim for a Cabinet post from which he could steer Government policy Rightwards rather than risk political oblivion by attempting a back-bench take-over.

The Right wing is undoubtedly a pace-setter in Rhodesia politics to-day, nudging the party alone towards separate development. The achieving of a settlement does nothing to ... ... ?? the certainty that it will have an important impact on the country's future development.

The iron rule may prove to apply in the end, but Mr. Smith has too much going for him now to be threatened in the immediate future.

PARLIAMENT

Heath 'in touch over India-Pakistan'

THERE WAS still a great deal of uncertainty about the precise course of events in East Pakistan but it was clear that there had been military clashes on a growing scale in the last few days, Mr. Joseph Godber, Minister of State, Foreign and Commonwealth Office, said in a Commons statement.

He told MPs there were no reports of injury to U.K. citizens or of damage to British property. The British High Commissioner in Islamabad was in touch with representatives of the British community in Pakistan and had advised those in the border areas to consider moving to areas of greater safety.

The Prime Minister had been throughout in continuing and close touch with the Pakistan President and India's Prime Minister. These contacts were continuing.

Britain was also in close touch with the U.S. and other Governments. The possibility of a Security Council meeting was "constantly in our minds."

Neither the Indian nor the Pakistan Government had yet been ready to call for a meeting. Advising against a public debate at this stage, Mr. Godber said it was far from certain that such a debate now would enhance the prospects of achieving a reduction of tension.

"The view of other governments, as well as ourselves, has so far been that better hopes lie in the continuation of the diplomatic exchanges in which we and they are engaged," he said.

Mr. Denis Healey, "shadow" Foreign Secretary, said: "There is a patent threat to peace indeed more than a threat to peace It is urgent for the great powers to get together to create conditions for United Nations Intervention."

Mr. Godber said: "The main point about discussion in the United Nations is that so long as the two major parties directly concerned are neither willing to initiate a debate it is difficult for others to do so."

Heavy guns

But Mr. Godber did say later that it would be a great help if UN personnel, in some form or another, could be placed on both sides of the border.

Sir Frederic Bennett (C. Torquay) asked if Mr. Godber still contended that only guerillas were involved. "If so, can you tell me why these guerillas have heavy guns, tanks and limpet bombs?"

Mr. Godber said there was no doubt that regular forces had been engaged. "The Pakistanis on their side claim that their's have been defensive against the Mukhti Bahini. Mrs. Ghandi said in the Indian Parliament to-day that some regular Indian forces have been engaged but implied that this was to repulse Pakistani attacks across the border."

Increase in pollution penalties

By Our Parliamentary Correspondent

GREATLY INCREASED penalties for serious pollution offences—with trial on indictment which could lead to unlimited fines or terms of imprisonment—were foreshadowed by Mr. Peter Walker, Secretary for the Environment, in the the Commons.

Healso said that the maximum fines on summary conviction will be substantially increased.

Mr. Walker, who said his review of the statutory penalties for all pollution offences will soon be completed, assured MPs. "The new scales will provide a real deterrent to potential offenders."

When asked about lead emissions from petrol Mr. Walker replied: "I will be making an announcement in the near future of what furcontrols over atmospheric pollution by motor vehicles I consider necessary.

"I am paying particularly close attention to the use of lead additives in fuel."

Multiple food trade bodies in merger

A MERGER of the trade association functions of the Association of Multiple Retail Meat Traders and the National Association of Multiple Grocers was announced yesterday.

Leading members of both have combined to form the Multiple Food Retailers Association. The new body is expected to have about 120 members operating between them 2,500 supermarkets—67 per cent. of the national total—and 9,000 other shops, and employing 170,000 people.

Mr. James Sainsbury, of J. Sainsbury, has been appointed president of the Association; Mr. J. B. Whalley, of J. H. Dewhurst, is treasurer; and Mr. T. H. McAndrew, of Allied Suppliers, is chairman of council.

Overseas bids for T. Cook 'not unwelcome'

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

OVERSEAS BIDS for a share in Thomas Cook would "not be unwelcome," Mr. John Peyton, Transport Industries Minister told the Commons yesterday.

But he emphasised that the Government thought it best that the company, which had a turn over last year of £260m., should remain in British control when it is sold back to private enterprise. The Minister also promised the House that any possible implications to the U.K. balance of payments would also be taken into account.

With the first step in the proposed sale to be taken about the middle of next month by the issue of a prospecus, Mr. Peyton assured MPs that the Transport Holding Bill, paving the way for the company's transfer from the public sector, was in the best interests of Cook's, its staff and its customers.

The Opposition dismissed the Government's arguments and reiterated the threat that Cook's would be reutrned to State hands when Labour next came to power.

Mr. Tom Bradley, Opposition spokesman on tSate industries, condemned the Bill as a "piece of vindictive nonsense" intended to satisfy party zealots and the Government's business supporters.

Not only Cook's but all the other hived-off sections of public industry would be re-acquired by the next Labour Government, Mr. Bradley declared, and he added that the re-acquisition would be handled in such a way that it would bring no financial advantage to those in the private sector who had bought up State assets.

By unloading Cook's on to the market, the overnment was going to create an asset stripper's paradise, he said. A principal attraction for potential purchasers in the City of London was the amount of travellers' cheques and exchange business conducted by the company—foreign currency transactions amounting to £80m. of the total turnover last year, according to the Government.

Increased charges

Mr. Marcus Fox (C. Shipley) congratulated Mr. Peyton not only in saving the taxpayers money, but at the end of the day in giving the public a better service.

"I welcome his assurance the company should stay in British hands and I would like to feel the name of 'Cooks' should be kept because it is part of our history."

Mr. John Pardoe, for the Liberals, wondered whether the move would encourage competition.

In the summer British Rail and Townsend Thoresen Car Ferries had increased their charges for taking cars across the Channel to exactly the same level.

Yet the overnment had refused to refer this "monstrous piece of price fixing" to the Monopolies Commission. Until Government had come up with a better alternative, Thos. Cook might just as well be left as it was.

Signs of a rise in council building

SIGNS OF A rise in the volume of new council house starts are beginning to emerge following a year in which the poor performance of the public sector has had a dampening effect on the building industry generally.

Mr. Julian Amery, Minister for Housing and Construction, told the Commons that figures which are to be released next Monday will show a "welcome rise" in public sector building during October.

But he turned down strong Opposition demands for a crash building programme for council houses in order to cut down the high level of unemployment in the building trade.

Mr. Dennis Skinner (Lab. Bolsover) asked him to give the latest figures for house building in the public sector and to state how they compared with 1970.

Mr. Amery replied that from January to September this year there had been 104,134 public sector starts and 116,310 completions compared with 117,897 starts and 131,634 completions in the same period last year.

Mr. Skinner told him that the figures were a "total disgrace" and looked very sad compared with the Government's promise to clear all the slums over a ten-year period.

Mr. Amery replied: "You should beware of over-stating your case. Figures to be published will show a welcome rise in public sector building."

The Minister saw this as a welcome sign and said there had been uncertainty in the minds of many local authorities until the publication of the Housing Finance Bill. This uncertainty had now been dispelled and the improved figures to be announced would reflect this.

Slum clearance

Mr. Anthony Crosland, "shadow" secretary for the Environment, pointed out that there were 100,000 unemployed construction workers and urged Mr. Amery to press the Chancellor of the Exchequer to permit a crash council house building programme.

Mr. Amery explained that he had already written to local authorities asking them to re-examine their slum clearance programmes and, where possible, to expedite them.

Four Labour parties in more Ulster talks

LABOUR'S national executive committee decided yesterday to set up machinery for regular meetings on Ulster with their colleagues in the Irish Labour Party, the Northren Ireland Labour Party and the Social Democratic and Labour Party.

This decision came after Mr. James Callaghan, "shadow" Home Secretary, and party treasurer, and Mr. Anthony Wedgwood Benn, the party chairman, had told the executive of their visit to Northern Ireland on November 11.

Other Overseas News

...peline ...ct to be ...gned

CAIRO, Nov. 24.

...and a Western European ...ab consortium will sign a ...agreement next week to ...construction of an oil ...e from the Red Sea port ...to Alexandria, Al Ahram ...per said to-day.

...t will supply $90m. in ...currency and the con... ...the balance for the pipe... ...conceived as an alternative ...or oil to the Suez Canal, ...since the 1967 war with ...

...newspaper said Aziz Sidky, ...Premier and Minister of ...y and Oil, met two weeks ...th a delegation from the ...dum to work out final ...of the agreement. A draft ...agreement would be given ...ypt on Thursday and a ...tion would arrive in Cairo ...nday to sign it with local ...ntatives.

...ulf Federation ...ay declare ...dependence

...Our Own Correspondent

BAHRAIN, Nov. 24.

...Political Resident Sir ...ey Arthur is due back here ...following quick visits to ...habi, Dubai and Sharjah. ...understood the visits are ...cted with the imminent de... ...on of independence by the ...ation of the six Trucial ...

...he Bahrain pattern is fol... ...the declaration would ...aneously be accompanied ...Arthur's formal cancella... ...f the present treaties with ...states. It is understood ...let date is yet set by some ...between December 5 and ...likely. If the Federation ...s a membership applica... ...o be accepted by the pre... ...UN General assembly ses... ...the tenth is considered the ...ossible date that the Fed... ...n's representatives should ...New York as the session ...on the 18th.

...declaration, which is ex... ...l from Abu Dhabi is now ...ly to be on the seventh for, ...esent plans hold, OPEC ...there on that day.

...is considered that ideally ...form of agreement with ...over the disputed island of ...Musa which Sharjah, one ...federating states claims ...d be reached prior to the ...ration's independence de... ...ion.

...hough of much geo-political ...icance to the whole area, ...of the disputed Tumbs ...is is considered less of an ...iment to federation build... ...s the present owner, Ras ...aimah, has elected to stay ...f the Federation.

...eoul limits ...nports

...Our Own Correspondent

SEOUL, Nov. 24.

...SOUTH KOREAN Govern... ...has imposed import restric... ...on 39 commodities in a ...to mend the country's ...ening balance of payments ...ion. The move follows ...ictions on 34 items an... ...ced last month.

...e new import-restriction list ...des "non-essential" items ...those substitutable by ...estic products, such as grain ...hers, optical glasses, fork... ...golf equipment, coffee, ...r, cheese, raw silk, some ...etic fibre yarns, and ...ster film. Among the 34 ...restricted earlier are ...in wax, carbon black, door ...les, cameras, and gas meters. ...a result, 571 items by the ...dard International Trade ...sification are now under ...ort restrictions, 73 banned, ...668 free.

...uth Korea's total imports ...ng the first nine months of ...year amounted to $1,808m., ...lting in a trade deficit of ...m.

Egypt gives war warning to Arab Chiefs of Staff

BY OUR OWN CORRESPONDENT CAIRO, Nov. 24.

WITH THE BREAKDOWN of diplomatic efforts to get a peace settlement in the Middle East, the Arab States had no other way except the use of military force to repel the Zionist danger, *Egypt's Chief of Staff, Major-*General Saad ed-Din el Shazly, told Arab Chiefs of Staff meeting here this morning to prepare for Saturday's meeting of the joint Arab Defence Council.

Last night Interior Minister Mamdouh Salem ordered that a partial black-out be observed throughout the country with effect *from to-day*. "*Restricted* lighting" is to be permitted in Government offices, factories and businesses. Street lighting will be reduced by half, all neon lights and illuminated signs are to be extinguished and car lights *must be painted dark blue*.

A complete blackout will be enforced if the air raid sirens sound.

The Arab Socialist Union central committee announced to-day that it was setting up a special secretariat to prepare the home front for war. It will also supervise the formation of "citizens *war committees*," *the* announcement said.

Twelve Arab Chiefs of Staff attended the preparatory planning meeting this morning, the most notable absentees being Algeria and Tunisia. Oman, Qatar and Yemen have also not sent delegates but the Yemen has informed the Arab League *that its Chief of Staff will arrive* to-morrow. Meeting in closed session the officers heard a report from Major-General el Shazly on the Arab military position and on ways of concerting Arab military efforts.

Observers here feel that the military leaders are likely to *make little progress towards* achieving the co-ordination which was so palpably absent at the Foreign Ministers' conference earlier this month. In particular, the revival of the Jordanian front still depends on settlement of the Amman Government's *conflict* with the Palestinian Fedayin.

Meanwhile, Al Ahram reported to-day that Egypt had given the visiting organisation of African Unity peace mission its approval for international guarantees, the establishing of demilitarised zones and the stationing of international emergency forces in the zones, to carry out the Security Council resolution on the Middle East crisis.

Cairo is to give a formal, written answer to the six-point questionnaire submitted by Presidents Leopold Senghor and Yakubu Gowon on Monday, confirming the points made verbally by President Anwar Sadat and Foreign Minister Mahmoud Riad. The note will be taken by a special envoy to Dakar to await the return there from Israel of the OAU mission.

Egypt has asked that the ten heads-of-state committee, responsible for the OAU peace mission, draft its final report before the start of the Middle East debate in the UN General Assembly at *the beginning of next month.* The African leaders left Cairo this morning for Tel Aviv.

South East Asian nations aim at neutralisation

BY OUR OWN CORRESPONDENT KUALA LUMPUR, Nov. 24.

FOREIGN Ministers of the five nation Association of South-East Asian Nations are gathering in Kuala Lumpur for a summit meeting aimed at charting out common policies they hope will ensure regional peace and *security*.

The main topic to be discussed during the three-day meeting is Malaysian Prime Minister Tun Abdul Razak's proposal of having the U.S., Russia and China guarantee regional neutrality. But, since the meeting was agreed on at the eve of the UN China debate, Malaysian hopes for a Kuala Lumpur declaration designating the area a zone of peace have somewhat diminished.

It has become clear that the military wing of the Government in Jakarta is not at the moment too keen on the idea. Thanom Kittikachorn's recent military coup in Thailand, perceived as a pro-American anti-Chinese move, can only increase big power reluctance to back proclamations of neutrality.

However on his arrival tonight former Thai Foreign Minister Thanat Khoman, coming as a special envoy of Thanom, indicated that a general agreement in Kuala Lumpur could result in the formation of a permanent committee that would work towards making neutrality a reality.

"We have *many ideas in our* head on how to do it but we don't want to announce them now," he said.

The Singapore Foreign Minister, S. Rajaratnam, told newsmen that the difficulties of attaining South-East Asian neutralisation—"a good concept"—were "not insurmountable." However, he said *discussions would first have to* be held on how practical it is and whether it was an immediate or long-term objective.

Consensus

"There are difficulties like whether the big power guarantors are willing to guarantee the *neutralisation, and how many* countries in South-East Asia want to be neutralised," he said.

The general consensus in the region is that neutralisation of the area can only be a long-term policy involving dismantling of the South East Asia Treaty Organisation and the five-Power defence arrangement involving Malaysia and Singapore.

In the meantime Malaysia and Indonesia have decided the Straits of Malacca and Singapore are not international waterways, apparently a measure the two nations regard as a first blow for eventual neutralisation.

The Indonesian Foreign Minister, Adam Malik, who arrives here to-morrow, in discussing the Kuala Lumpur meeting asked: "*What should we do if a vessel* with nuclear armament of a big Power wants to pass through the Straits of Malacca?"

S. Vietnam gives details of Cambodia offensive

SAIGON, Nov. 24.

ABOUT 45,000 South Vietnamese troops are involved in a giant *dry-season sweep* of Communist sanctuaries in neighbouring Cambodia, government military sources revealed to-day. The disclosure came as the Saigon command took official wraps off its new drive along and across *the Cambodian border and also* reported the first casualties inflicted on Communist forces.

The command spokesman, Colonel Le Trung Hien, said the operation involved two or more divisions, each numbering more *than 10,000 men. The military* sources added that there was a real possibility some South Vietnamese troops might be sent to help Cambodian soldiers defend *their capital of Phnom Penh,* which is reported to be facing new Communist attacks on its *outskirts*.

But the sources added that there are deep political problems involved in sending Saigon troops to Phnom Penh. Relations between the two armies have never been cordial and objec*tions have been raised in both* countries to such a move.

The South Vietnamese command will adjust its attack largely depending on Communist response, military sources said, as the Saigon forces try to *separate the Communist troops* in the centre of Cambodia from their sources of supply and arms coming from the northeast.

Reuter

Tokyo ratifies Okinawa Pact

TOKYO, Nov. 24.

...E Lower House of Parliament ...ay ratified the controversial ...-Japan Okinawa Agreement. ...wo of the four opposition ...ies—the *Socialists* and Com...ists—boycotted the session ...the agreement was approved ...3.

...he agreement, signed by the ...nations last June, will return ...nawa and other islands of ...mid-Pacific Ryukyus group ...e time next year.

...kinawa was captured by the ...in the Second World War ...r bloody fighting, and has ...e been administered by the ...ericans. It has become a key ...erican military bastion in the ...ion, and even after reversion ...Japanese control the island ...l still have 88 U.S. military ...ilities.

...here had been *little doubt* ...Lower House would approve ...agreement—even if all the ...position *parties had been* ...sent. The ruling Liberal ...mocratic Party has 301 seats ...the 491-member house.

...wo opposition parties, the ...meito and splinter Democratic ...ialists, agreed to attend the session after inclusion of two riders to the agreement demanding Okinawa be free of the U.S. nuclear weapons and that the American military *facilities be* reduced.

The U.S. is giving up 34 bases *on reversion, but most are minor* facilities. Major air bases—such as Kadena, from where bombing raids on Indo-China were once carried out—will remain, along with massive housing estates and logistics areas. This has caused considerable resentment among the almost 1m. Okinawans.

The agreement, already ratified by the U.S. Senate, now goes to the Upper House of the Japanese Parliament, where the LDP has *only a very small majority.* If the House fails to act on the measure, it will become law in *30 days.*

The Socialists and Communists, by staying away from Parliament, *were continuing a boycott* launched last week after the LDP forced the agreement through a Parliamentary committee in a snap vote.

This action, and the continued presence of the U.S. military bases on Okinawa, has prompted daily street demonstrations in Tokyo with more than 2,000 protesters arrested and two people *dead, including a policeman* burnt to death by petrol bombs.

More demonstrations were planned later to-day, mostly peaceful protests by the Socialists and Communists.

Reuter

NZ FREIGHT RATE TALKS

By Our Own Correspondent

WELLINGTON, Nov. 24.

THE NEW ZEALAND Government is to take a hand in fixing *future shipping freight rates* on New Zealand farm export to Britain. This was announced by *the Minister for Overseas Trade,* Mr. John Marshall, to-night after talks with producer Boards.

Mr. Marshall said talks were at a preliminary stage and the Government would work out ways in which there could be closer collaboration between it and producer Boards in future freight rate negotiations.

INDO-PAKISTAN CONFLICT

Indian troops 'may cross border only in defence'

BY OUR OWN CORRESPONDENT NEW DELHI, Nov. 24.

MRS. INDIRA GANDHI to-day told Parliament that India would not declare an emergency "unless further aggressive action *by Pakistan compels us to do so* in the interest of national security." In a statement, Mrs. Gandhi listed numerous attacks, intrusions and provocations by Pakistan and reiterated that Indian troops had been instructed not to cross the border except in self-defence. The Premier disclosed that, in addition to three Pakistani aircraft shot down on Monday, 13 Chafee tanks had been destroyed near Boyra, five miles from the eastern border on Sunday as a result of "defensive action" by Indian troops.

Mrs. Gandhi referred to the *impression of a change of stance* by Pakistan created by President Yahya Khan's Id festival message and hoped that the declaration of an emergency in Pakistan was not a device "to get out of the compulsions of seeking a political solution."

Mrs. Gandhi said that a declaration of emergency by the military regime, which had been "*waging war on the people of* Bangla Desh for the last eight months and has been threatening us with total war for the last three to four months, has no meaning except to deceive his (President Yahya's) own people and the world at large." I. Mukhti Bahini, Mrs. Gandhi said, had taken a heavy toll of the *Pakistani* armed forces and had freed large parts of their homeland.

Their successes since the recession of the monsoon had apparently upset the plans of the military regime. Counselling the *country to remain unruffled and* promising adequate rebuff in the event of "adventurism" by the Pakistani military regime, Mrs. Gandhi added: "The rulers of Pakistan surely realise that the path of peace—of peaceful negotiation and reconciliation—is more rewarding than that of war and the suppression of liberty and democracy."

Mrs. Gandhi also spoke of the "intolerable burden of looking after nearly 10m. terror-stricken men, women and children who have fled from Pakistani oppression" and expressed India's determination to let the refugees return to their homes "under a credible guarantee of safety and human dignity." Referring to the numerous protests against Pakistani intrusions and provocations she said these had had no effect. Instead, Pakistani propaganda had been putting out the story that India was engaged in undeclared war and *had mounted massive attacks* with tanks and troops. "This is wholly untrue," she added; in fact, it was Pakistan which had launched a "hate India" campaign.

Indian seamen refuse to sail to East Pakistan

BY KEVIN RAFFERTY CALCUTTA, Nov. 24.

Indian seamen have struck a serious blow against Paki*stan's attempts to pull together* the disrupted and shaky East Pakistan economy. The Indian Seamen's Union has notified shipowners that its members are "reluctant" to sail to East Pakistan, but I understand that this can be taken as a firm refusal to go there.

On previous occasions recently *agents for shipowners have had* to persuade seamen carefully before the men would sail in the face of dangers from guerilla activity in the Bay of Bengal.

The shelling of the British ship City of St. Albans two weeks ago has convinced them that it is too dangerous to go to East Pakistan.

The Seamen's Union's decision will particularly affect British *lines which carry much of the* jute exports from East Pakistan. Even if they decide to continue to sail to and from the East Pakistan ports of Chittagong and Chalna using only Pakistani crews, this could still disrupt schedules considerably as it is unlikely in these circumstances that their vessels would be *allowed into Indian ports on the* way.

About 80 ships a year use Calcutta, usually for offloading cargoes, before going on to Chittagong or Chalna. The majority of the seamen on Board such vessels are Indian or Pakistani, though mixed Indo-Pakistan crews are not used.

Since the 1965 war, Indian sailors docking in Pakistani ports *and Pakistanis in Indian ports* have been refused shore leave but the arrangement has worked smoothly. It would probably be too difficult to find crews from other nations and would in any case be probably too expensive.

The British companies are already worried about dangers to shipping in the Bay of Bengal. *Lloyd's recently doubled the* insurance premiums for ships sailing to East Pakistan and I understand that after the St. Albans incident there have been discussions in London among members of the Indian shipping conference about whether it is worth keeping the East Pakistan service going.

China reaffirms its support for Pakistan

BY OUR OWN CORRESPONDENT KARACHI, Nov. 24.

THE LEADER of the 12-member high-level Chinese delegation, Li Shui-chin, reiterated in Karachi *this morning his* country's support for Pakistan and said the East Pakistan question was an internal affair in which no country had any right to interfere.

The Chinese delegation arrived here on its way to Taxila to attend the ceremony to-morrow at which the Chinese aided Rs 161m. heavy mechanical complex is to be inaugurated by President Yahya Khan.

Li Shui-chin, who is Minister for the Ministry of Machine Building, said the Government of the People's Republic of China had always maintained that whatever was happening in East Pakistan was Pakistan's own *affair in which no one had* any business to intervene.

Meanwhile Pakistan's Foreign Secretary Sultan Mohammad Khan said in Karachi this morning that a proposal was under active consideration by government to take up the question of alleged Indian aggression in East Pakistan in the UN and call for appropriate action.

Mr. Khan, who has returned from an extensive tour that took him to the U.S. and several European capitals, told newsmen that proposals regarding the disengagement of forces on the Indo-Pakistan borders, reduction of tension in the sub-continent and the return of East Pakistani displaced per*sons have been very* well received abroad. He said he had noted a growing understanding of Pakistan's viewpoint in world capitals. The Foreign Secretary said he was presenting a detailed report to President *Yahya Khan in Rawalpindi this* morning to appraise him of thinking abroad on the situation in East Pakistan.

Pakistan recalls soldiers on leave, reservists

RAWALPINDI, Nov. 24.

THE COMMANDER-IN-CHIEF of the Pakistan army to-day ordered reservists and soldiers on leave to report for duty immediately general headquarters announced here. *All former sailors under* the age of 30, except those released on medical grounds, have also been called up, the announcement said.

The announcement follows the proclamation yesterday of a state of emergency in Pakistan and a Government accusation that India was waging an "undeclared *war" aimed at securing a base* in East Pakistan for the self-styled Government of the Bangla Desh movement.

The announcement of the state of emergency gave no hint of what powers President Yahya Khan would take to make it effective. But observers noted that Pakistan was already under martial law and the only additional power a Government spokesman mentioned yesterday as a possibility was the re-imposition of Press censorship.

Earlier to-day, within hours of reporting that Indian forces have opened a new front in the East, Pakistan said to-day that Indian pressure was mounting.

Radio Pakistan said Pakistani troops had counterattacked in the Sylhet sector of North-east Pakistan and forced an Indian withdrawal after a three-hour battle. The Indians lost 25 dead and 90 wounded while Pakistani losses were four dead, 10 wounded. In the Chittagong hill tracts area Indian mountain troops had so far made vain efforts to infiltrate through the heavily jungled countryside but "pressure continues to mount," the radio said.

Reuter

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● POLLUTION

Looking for carbon monoxide

SCIENTISTS at General Electric Company of the U.S.A.'s Space Division at Valley Forge, Pa., are conducting an experiment to determine what happens to the 300m. tons of carbon monoxide gas introduced into the earth's atmosphere each year.

Through this carbon monoxide pollution experiment (COPE), they hope to explain the natural depletion mechanism, a chemical or biological "sink" which absorbs the poisonous gas or converts it into another compound. The COPE project stems from an advanced applications flight experiment contract from the National Aeronautics and Space Administration's Langley Research Centre, Hampton, Va. GE. (U.S.A.) is the primary COPE contractor and equipment is produced for the company by Barringer Research, Toronto.

A prototype of the COPE equipment has been assembled in the GE. (U.S.A.) Space Sciences Laboratory. After extensive prototype testing, two engineering evaluation models will be constructed for balloon and aircraft testing in mid-1972. Ultimately, the instrumentation is slated for installation in an earth-orbiting satellite as a means of producing global carbon monoxide measurements.

Dr. M. H. Bortner, manager of atmospheric chemistry programmes at the Space Division, is the project's principal investigator and the COPE programme is being administered by Dr. H. W. Goldstein, manager of space experiments and applications.

At its present rate of production, carbon monoxide gas might seriously degrade air in cities, but for some unknown mechanism which apparently is keeping the gas in check throughout the world.

Carbon monoxide is generated by the incomplete combustion of fossil fuels, such as coal and gasoline. Under most conditions, it is colourless, odourless, tasteless and relatively inert—but toxic to humans in low concentrations.

Scientists advance two major theories to explain the natural depletion of carbon monoxide concentrations. Some feel that in certain areas of the earth, soil bacteria consume CO, thus acting as a biological sink. In addition, many living plants are believed to retain CO in varying amounts.

Other scientists believe that carbon monoxide is depleted in chemical sinks through reaction with atmospheric materials. As an example, high-altitude ultraviolet radiation from the sun produces excited oxygen atoms which react with water vapour to form hydroxyl radicals (OH). These in turn react with CO to form the dioxide.

The COPE programme has three major objectives: to learn how the carbon monoxide sink functions (this capacity may not be unlimited); to locate, measure and map global CO concentrations; and to learn about atmospheric movements from CO dispersion in the atmosphere.

COPE could be the forerunner of future systems to measure and map concentrations of sulphur dioxide, nitric oxide and other harmful atmospheric pollutants.

● RESEARCH

Simulation equipment on show

AMERICAN equipment designed to test products under accurately simulated operating conditions is to be shown at the United States Trade Centre, 57 St. James's Street, London, SW1, from December 6-10.

Although several pieces of equipment to be exhibited are designed primarily for use in research laboratories and universities, the bulk of the products to be presented by some 25 U.S. companies have been developed for industrial applications in electronics, aviation, shipbuilding, car making, packaging and even the furniture trade.

Among the products to be exhibited will be completely self-contained environmental test chambers which provide a means of carrying out various temperature and temperature/humidity tests, semi-conductor strain gauges and accelerometers, shock test machines, vibration control systems and frequency response analysers which measure directly the amplitude and phase response of any physical system even in the presence of noise. Designers of machine tools should find these analysers of particular interest.

Peripheral equipment for the control and measurement of test results will include a broad selection of high-performance, direct-writing recording instruments whose precision servo penmotors provide 99½ per cent. linearity and a true rectilinear trace.

Several exhibitors will be seeking representation in the U.K. and Europe for the first time. Admission will be by ticket only, obtainable from The Director, U.S. Trade Centre, 57 St. James's Street, London, SW1.

● HANDLING

Robot has sense of touch

AN INDUSTRIAL robot with a sense of touch is reported from Japan. It is stated that the robot can feel for scattered objects, recognise an object's form and position so that it can be held firmly, change the position of an object to make further manoeuvring simple, select the best methods of positioning an object in a container, and press an object against the inner wall of a container or against other objects for tight packaging.

The prototype was built by Hitachi, using basic technology developing by the electro-technical laboratory of Japan's Ministry of International Trade and Industry and the University of Tokyo.

Hitachi says the new robot is superior to conventional robots which can only see an object, and not feel it. Hitachi are at New Marunouchi Building, No. 5-1, 1-chome, Marunouchi Chiyoda-ku, Tokyo 100.

Shifting slurry

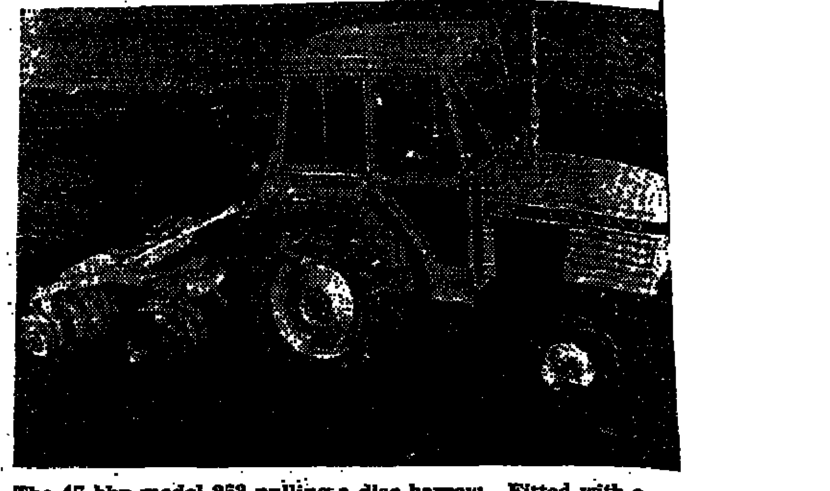
Milking equipment manufacturer, Hosier Equipment, has launched a muck-handling system for emptying slurry lagoons and pits. The system was designed and developed by a Surrey dairy farmer.

Basically, the system, which works on the dragline principle, comprises a bottomless sledge, which is drawn across the lagoon by cable wire to collect the slurry, and a small gantry which supports a large-capacity tipper box for emptying material into a muck spreader. A small farm tractor with cable drums fitted to its rear wheels is used to power the unit.

The 4 feet 3 inch by 4 feet sledge is constructed from mild steel plate and is bottomless except for about a quarter of its length, where a mild steel plate acts to strengthen the unit and help keep the slurry in while it is being drawn across the lagoon.

● AGRICULTURE

The 75 hp MF188 ploughing. This tractor is six inches longer than the standard version providing a roomier cab and ease of access—the rigid cladding is an optional extra.



The 47 bhp model 253 pulling a disc harrow. Fitted with a safety cab and newly designed independent hydraulics, this trac has 10-speed transmission with independent power take-off.

Choice for ploughs

FARMERS and horticulturists looking for a new tractor will be almost "lost for choice" with the number of new tractors being introduced in time for the Royal Smithfield Show in December.

After spending £4m. on what is stated to be the largest tractor factory in the Western world, Massey-Ferguson (United Kingdom), of Banner Lane, Coventry CV4 9GF, has progressively introduced six new models since July. The factory already produces 2,500 built-in variations on the various tractors made at Banner Lane. The six new tractors provide a h.p. range of 47, 49, 62, 69, and two of 75 h.p., the 185 and the 188. Three of the tractors (one in each h.p. group) are six inches longer than their stable mates, permitting more comfortable cabs with easier access. The longer tractors also handle heavy mounted implements more easily, and make more effective use of front ballast weights.

The idea is that in each of the popular h.p. groups farmers will be able to choose from a low specification tractor which can then be tailored to handle a variety of jobs at a low cost, or a "super" specification tractor which produces high output on any job on the farm. The tractors are all powered by Perkins diesels—price range is MF135, six speed, 47 h.p., £1,435, to MF188, 12 speed plus power take-off, £2,258.

The latest addition to the Leyland tractor range is the 253, a 47 h.p. model. It is stated to provide high performance capable of a wide variety of farm work from heavy ploughing to light towing. The new hydraulic system giving automatic position and draught control is fitted. A ten-speed transmission includes a fully independent power take-off through an 11-inch clutch.

The company's 25 b.h.p. 154 model has been modified by reducing its overall width from 1.5 to 1.16 metres. The narrow version has been designed for operation in vineyards and orchards, for spraying in glasshouses, cleaning intensive livestock units, and for other restricted areas.

Because the narrow 154 can be driven along pavements it can also be used for municipal work such as sweeping and snow clearance. All the mechanical features of the standard model are incorporated including the nine forward/three reverse ge box which because it provi gear change on the move is su able for shuttle work.

British Leyland tractor divis is at Bathgate, West Lothian.

Keeps the apples sweet

REPORTS from the Agricultural Research Council report show that storage of Cox's Orange Pippin applies in an atmosphere containing less than 1 per cent. carbon dioxide with 2.5 per cent. oxygen and 96.5 per cent. nitrogen is effective in delaying the development of core flush damage to the fruit.

A complete packaged instrumentation system to monitor dioxide and oxygen concentrations to the requisite high accuracy is being made by GEC-Elliott Process Instruments.

It has been designed specifically for the low concentrations recommended by the ARC for refrigerated fruit storage. T system incorporates an infra-r CO_2 analyzer of 0.2 per ce accuracy, a paramagnetic analyzer of 0.1 per cent. accura a long scale electrical tempe ture indicator using platinum sistance thermometer elemen and multiway switches to sel different storage chambers f gas sampling and temperatu read-out.

In addition to the standa system, modified versions a available with extra faciliti such as automatic scrubbing a ventilation, chart recordi automatic sampling at pre intervals, alarms, and data l ging and transmission.

● ELECTRONICS

Automatic testing

UP TO 10,000 zener diodes, rectifiers, thyristors or triacs per hour can be tested and sorted into 36 categories by a machine just put into operation at the Stockport factory of Mullard.

The machine is called Apollo and its complete test schedule is controlled by a digital computer which also stores up to 12 programs, including CV schedules, processes test data and performs self-checking and diagnostic routines. The company states that testing time has been reduced and test consistency improved with the result that very few devices can now arrive faulty at customers' premises.

Control is via a typewriter keyboard and the machine may be rapidly reprogrammed to a new device type by typing the device name on the keyboard.

Apollo can carry out a maximum of 24 hot (130 degrees C) and cold (25 degrees C) tests with any number of limits per test up to a maximum of 120 limits for all tests. Thirty-six test selections are possible. After each test the computer determines which of the up to 36 original possible selections are still possibilities, and selects the next tests to further reduce the possibilities. At the completion of testing the device will fall into one or more categories and be finally selected out against a preference list.

The computer can calculate the yields of devices in any of the 36 categories as a percentage of devices entering the machine to be tested. Also any number of tests can have an analysis of the limit passes in the tests displayed as a percentage of devices being presented to the tests.

Histograms can be produced, as can mean and standard deviation figures, and the machine has extensive self checking facilities.

● METALWORKING

Repairing damaged sheet

A COMBINATION of embossing and grinding is said to repair damaged ferrous or non-ferrous sheets quickly and cheaply. Average loss of material in steel is said to average only 1 lb per ton.

Damage or defects in the sheets can be due to gouges, deep pits or scratches, scale holes or rolled-in scale. When damage is found, the sheet goes into a press where selective dies push up the damaged area so it is about 0.001 inch above the surrounding surface. Light grinding then cuts the raised area to surface level.

The process repairs only one side of the sheet, leaving a depression in the other, says Lake Ann Industries of 16,146, Wyoming Ave., Detroit, Mich., U.S., but it does reclaim material which would have been scrapped into useable sheet in a matter of seconds. It will handle sheet from 0.035 to 0.25 inches thick.

Measuring ferrous quality

A FERROUS segregator has been developed to measure rapidly and accurately the quality of ferro-magnetic materials and components. The segregator is for testing billets, bar stock, wire, forgings and castings and also for testing finished components for variations in material composition, heat treatment condition, case depth, dimensions and hardness.

The equipment can be hand operated, or in conjunction with a three-way sorting conveyor as an automatic system testing components at up to 5,000 a hour. The segregator conta three automatic gates wh signal the number of compone falling into the accept, high a low categories. It operates the comparative analysis brid system—two test coils are co nected to the instrument, in one of which is placed "standard" component, wh those to be tested are placed the other. The segregator made by Teledictor, Grovela Road, Tipton, Staffs.

Small batch stainless production

A VACUUM refining process the production of extra-l carbon stainless steel, eliminat the use of oxygen or inert ga and involving a relatively l power consumption has be developed. It will produce less steels with a 0.02 per c carbon content. Electric ind tion-melting furnaces w capacities ranging from 5kg 10,000kg are used.

One of the advantages claim for the system is the negligi loss of alloys, especially chro ium, from the refined steel, a the metal's low carbon conte reduces the amounts of sta lising elements, such as titani and niobium, which must added to prevent porosity.

APV-Paramount, of Crawle Sussex, says the process h particular value for sma foundries situated in areas whe inadequate power supplies pr hibit the use of arc furnaces; b using the process they can pr duce stainless steel to exa specifications from basic scra The dense iron oxide fume associated with convention methods of decarburisation b oxygen blowing are eliminate and no noxious discharges a produced so the process can b used even in densely populate areas.

● COMMUNICATION

Intercom for many stations

INSTANT push-button dialling with no waiting for dialling tones, on up to 28 stations, are the features of a new Italian intercom system called Sprint TST now being marketed by Blick Time Recorders, of Sekforde Street, London, EC1.

The company states that unlike many other intercoms where the complete system becomes engaged when only one conversation is taking place, Sprint TST allows as many conversations as there are pairs of instruments. There are also built-in conference facilities.

The units are attractively styled and can either be free-standing or wall mounted. They are powered by continuous duty rated power units and have self-cleaning contacts to ensure trouble-free operation.

Versatile radio

TO BE used interchangeably in aircraft, ground vehicles and as a troop backpack radio, a VHF system is to be designed and built by RCA for the U.S. Army. Designated the AN/URC-78, the system is being designed to operate 10,000 hours without failure—10 times the reliability of previous radios performing similar functions.

Under a $1,990,000 design competition contract, RCA will build six prototype radio systems for the Army's Electronics Command, Fort Monmouth, NJ. They will be all solid-state, modularised construction to provide ease of maintenance and repair. It will have 2,000 channels, more than double those of existing U.S army field radios, and will operate in a frequency range of 30 to 80 Megahertz.

● DATA PROCESSING

Bank orders Burroughs' new machine

COINCIDENT with the launch in the U.K. of their B4700 medium-scale computer Burroughs Machines announced yesterday that it had taken an order for the system from the Yorkshire Bank worth £350,000. The bank will take delivery of the B4700 next February and will work it back-to-back with its existing B3500 installation. The effective addition of 150,000 bytes of core memory will greatly increase the bank's data communication capabilities, which is important since six branches per month are being brought on line using "intelligent" terminals.

Burroughs describes the B4700 as evolutionary rather than revolutionary and states that the system draws its origins from the "700" family introduced a year ago and which has extensive multiprogramming capabilities and shared disc facilities.

The system has been designed specifically as an all-purpose computer; its range of compilers includes Fortran IV level H, thus providing strength in the scientific field as well as in commercial, financial and industrial applications.

The B4700 system may have up to four CPU's, each with from 100k to 500k bytes of core memory and from eight to 20 input/output channels. A maximum configuration could therefore offer two million bytes of main memory with access through 80 i/o channels. The main memory cycle time is 500 nanoseconds per two byte word, and the memory can be expanded in increments of 50k bytes.

A fully compatible disc pack system has also been announced. Each disc cabinet consists of two independent drives each of which can store either 60.5 or 121 million bytes of data. A maximum disc subsystem with eight dual-pack drives could store 1,936 m lion bytes.

A disc average access time only 30 mS has been achieved the use of magnetic voice c motors.

New phase encoded tape driv will also be available for t 4700 with transfer rates of 320,0 and 400,000 bytes per secon These are single capstan driv with the automatic take up spo sited on the same sprocket as t input spool.

Growth more reasonable

DESPITE the hard times of t February to May period, t latest figures to come out of t Department of Trade and Indu try show that the servi industry — bureaux, softwa houses and consultancies—gre in the second quarter at a ra of about 6 per cent., well dow from the 30 to 40 per cen explosion of 1970, but creditab in view of depressed conditio in the market earlier this year.

For the April-June quarte total business was £17.6m., by £900,000, but after deducti of parent and associate compa business, the final figure w £12.5m. for total external billin or only £200,000 up.

Pure software work in t period amounted to over £3½ which indicates that the earli guesses that the year's busine in software would be about £10 were too pessimistic by far.

There was a marked decline staff employed in the quarte particularly among consultan and programmer/analysts but the meantime, the value of tot hardware installed continued advance and now stands around £70m.

A significant figure shown the analysis is that the numb of terminals of all types worki to bureaux and installed clients' offices is 1,129.

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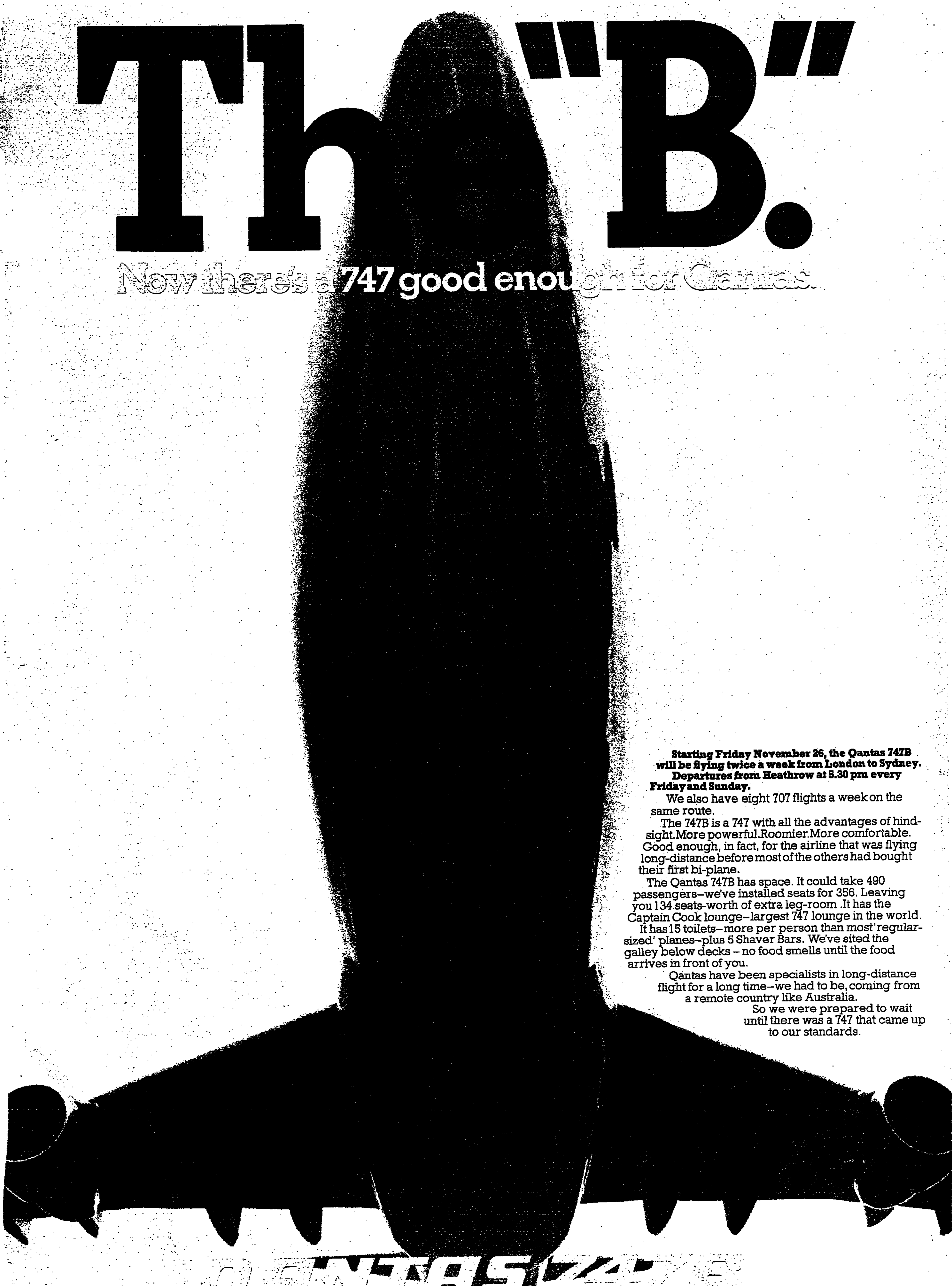

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100 jobs to go in big BSC reorganisation

BY DAVID WALKER

ABOUT 100 jobs will be lost under plans for a major reorganisation of the British Steel Corporation tubes division's commercial and pipework engineering activities announced yesterday.

In all, the moves affect 300 employees in Glasgow, 400 in Birmingham, 100 at Halesowen, Worcs., and 60 at Wednesbury, Staffs. Around 460 of those, however, will be offered jobs elsewhere.

At Glasgow and Birmingham, the division's existing home and export sales departments are to be merged and centralised at the divisional headquarters at Corby, where an additional 300 jobs will be created. A total of 100 Birmingham employees will be involved in that move, along with 300 of the 400 staff the division has at Glasgow.

Staff moves

Pipework engineering at Coombs Wood Works, Halesowen, and Globe Works, Wednesbury, is at the same time to be transferred to Great Bridge Works, Tipton, Staffs. Design, commercial and other functions at Birmingham associated with the pipework engineering department will also move to Tipton, Staffs. The overall result will be an end to Tubes division activities at BSC's Lloyd House offices in the city.

At Glasgow, the division will maintain a staff of about 100 working on administration, purchasing, computer services and management services for its Scottish works.

The remaining divisional staff at Park House, London—involved in the oil and gas industry sales department—will be moving to BSC offices in Gower Street. All other tubes division personnel at Park House have already moved to new offices at Croydon.

The changes are due to begin next spring and should be completed by the end of 1972, the division stated last night. "Every endeavour will be made to avoid redundancies by offering staff alternative employment. Those who are prepared to move to other locations will be given assistance to do so."

The moves follow a review aimed at achieving greater operational efficiency and reducing costs. Similar exercises have been or are being carried out throughout BSC's seven operating divisions.

Further redundancies in Glasgow—110 workers—were announced by William Beardmore, steelmakers. The machine shop is principally affected and, according to the company, the redundancies follow "a recession in demand and are an inevitable consequence of 150 production workers being paid off in September."

Beardmore's is part of the Sheffield-based Thomas Firth and John Brown Group. It employs about 1,200 workers.

25 dismissed

Outside the city, M. and C. Switchgear, an Anderson Mavor subsidiary, announced the dismissal of 25 workers at its Kirkintilloch factory. It was only this week that Archibald Low, an engineering company, announced the closure of its factory in the town, with a loss of jobs to 150 employees.

In Felixstowe, about 30 employees at Sangamo Weston's plant have been warned that they will be made redundant by the end of the year. An official notice posted in the factory, which employs 513 people, said: "Due to the national economic situation, we are not receiving orders as forecast in our forwarding budget.

"Unfortunately, it is therefore necessary to make reductions in our work force to meet the order situation. Such reductions will be kept to an absolute minimum. The union representatives fully appreciate the circumstances and the reasons necessitating this decision."

The concern specialises in electric meters and switch gear.

CBI to wait and see on need for more reflation

BY DAVID WALKER

CONFEDERATION of British Industry pressure for further Government reflationary measures is likely if signs of expansion in the economy fail to materialise in the near future, Sir John Partridge, president of the CBI, said yesterday.

Nonetheless, he told the annual luncheon of the Confederation's northern regional council at Newcastle-upon-Tyne, it would be wrong to call for such action now.

Delivering a speech obviously largely prepared before Mr. Anthony Barber's announcement in the Commons on Tuesday of a speed-up in spending by the nationalised industries, Sir John declared that "the intent of a more vigorously expanding economy" had been established. The Chancellor's announcement "makes good reading," he commented.

Better chance

"On inflation, I think we have a better chance of pulling it back now than at any time since the lid was blown during the last year of the Labour Government.

"While we are clearly going to have some difficult months to get through, I believe that the economy as a whole may well be set on a healthier course than we yet perceive, and that 1972 may see the oncoming of that industrial recovery for which we have waited so long," he affirmed.

The full effect of recent reflationary moves by the Chancellor had yet to be seen. They should provide growth, which was one of the main requirements for British industry to renew its strength and regain its confidence.

Equally crucial was a curbing of inflation. The CBI price restraint initiative was beginning to be reflected in a significant flattening of the prices curve, he declared. An essential corollary was a significant lowering in the level of pay settlements.

The third necessity was a lasting solution to the world monetary and trading problems, where there was "something of afix at the moment."

"I can only express the belief that the leading trading powers—Europe, including ourselves, the U.S., and Japan—will not at the end of the day be quite so stupid as to emulate the Gadarene swine by jointly cantering over the cliff of a world trade recession," Sir John said.

He reasserted that the Government should take selective action in areas of high unemployment to increase the level of activity there, in particular through the speeding up of capital projects within both the local authority and public-sector fields.

It "stood out a mile" that Britain had to evolve a long-term regional strategy with some elements of consistency about it and based on clear objectives "after all the chopping and changing of recent years."

In London last night Viscount Watkinson, chairman of Cadbury Schweppes, urged a coming together of the CBI, the Government and the Trades Union Congress to discuss the unemployment situation.

New solutions were needed for a new problem, he told the Institution of Production Engineers' annual dinner. "How does the more efficient, more cost-conscious Britain that we are slowly creating provide additional worthwhile employment for those whom the advance of technology throws out of employment?"

He hit at the relevance of the Industrial Relations Act in solving any problems. The majority of managers and men were bored to tears by it; very few would read its 187 pages of complicated jargon; and they did not want to see it elevated to become a continuing focus for argument and political strife.

Labour relations

British industrial relations were one of the most misunderstood elements of our national life abroad and one of the most misrepresented in the Press of almost every country in which we hoped to sell British goods.

That was a hard fact which would do a great deal of damage to our industrial reputation if the conflict continued now that the Act was law.

"Certainly if we are to make our presence felt in Europe, we cannot afford to tie our hands by engaging in industrial strife which will be seen to have no relevance at all by our European friends to the problems which an enlarged Community will face," he declared.

Wine sales in U.K. 'will double in next 10 years'

BY KENNETH GOODING

WINE SALES in the U.K. will double in the next 10 years Mr. Charles Whitfield, chairman of the Wine Development Board, forecast yesterday.

And consumption this year is expected to be more than 320m. bottles, around 60m. bottles more than in 1970 and well above the 300m. forecast by the board last summer.

Mr. Whitfield said the trends were encouraging as wine drinking was becoming more common at all social levels and in the North and West of England, where consumption was well below that of London and the South, it was gradually catching up.

Mr. Whitfield said: "Even so, we have a long way to go to catch our European neighbours. Our overall consumption works out at a mere five bottles per head of population compared with 151 for Italy, 150 for France, 105 for Portugal and 22 for Germany.

Women choose

"Nonetheless, our market growth potential is enormous and who can doubt that the rate of acceleration will increase following our entry into the Common Market."

In the U.K. market, he pointed out, there was an increasingly female bias among purchasers of wine. Almost half of all wine sales to-day are directly influenced by women who either make the purchase or choose the brand.

Mr. Whitfield was talking at a Press conference to launch the board's Christmas promotional effort. The board is operated on a £35,000 grant, half contributed by the U.K. wine trade and the rest by most overseas wine-producing countries.

So successful have been the board's efforts, he maintained, that it would in the new year move to bigger premises so that staff would be enlarged to cope with the demand for information and pamphlets on wine which the board gives free.

Ford sells 250,000 Cortinas in a year

BY DAVID WALKER

FORD MOTOR has sold nearly 250,000 Cortinas since the latest version was introduced on the home market in autumn last year, Mr. William Batty, managing director, disclosed yesterday.

The news came in a letter to dealers thanking them for their part in making the Cortina Britain's top-selling car in October. As disclosed in the Financial Times on Tuesday, the model took almost 11 per cent. of the market, pushing British Leyland's 1100-1300 range into second place with just over 9 per cent.

Escort success

The Ford Escort was in third place with 8.5 per cent., ahead of both the BL-Mini and Marina. "If we had been able to fill the orders available for the Cortina this year, it would have broken every sales record in the book," Mr. Batty declared.

"When your stocks are as fully restored as we would wish, we expect the Cortina's market share to go even higher," he said. The October result confirmed the company's belief that the present Cortina would turn out to be the most popular car it had made.

Ford's overall 23.2 per cent. share of the market in October was the best for 12 months, while the number of cars sold was an October record.

The gain, Mr. Batty maintained, came at the expense of importers as well as U.K. rivals, and had been a major factor in pushing foreign cars' share of the U.K. market down to 17.4 per cent. compared with a 22 per cent. peak in August.

Figures from the Society of Motor Manufacturers and Traders yesterday showed that car sales in the 10 months to October totalled 1.08m., nearly 150,000 more than in the same period last year. At the same time, British manufacturers' share of U.K. registrations dropped from 86.4 per cent. to 80.7 per cent.

GO-AHEAD FOR £75,000 GUERNSEY YACHT MARINA

Guernsey's Parliament yesterday decided to go ahead with a £75,000 scheme that would create a 233-yacht marina in St. Peter Port harbour. The only other marina in the island—which has over 4,000 visiting yachts a year—is privately owned.

The Parliament threw out a proposed new Drains Tax on 7,000 households connected to main drains, but approved a 25 per cent. increase in water rates as from Boxing Day.

New PVC plant for BP Chemicals

By John Trafford

THE FIRST plant to be commissioned at BP Chemicals' petrochemical expansion at Baglan Bay, South Wales, is expected to be fully operational by the end of the year, about six months behind the original schedule.

The plant, which has a capacity to make 45,000 tons a year of PVC plastics, was handed over by the contractors, Woodall-Duckham, in mid-August, but teething troubles, mainly concerned with mechanical problems in the autoclaves, have held back full capacity operation. Modifications are now being made to correct the trouble.

Vinyl chloride feedstock is at present being imported for the PVC plant. Before the end of the year, however, BP Chemicals hopes to have its own vinyl chloride plant in operation at Baglan Bay as well as a plant to make styrene monomer, an intermediate for another family of plastics.

A second PVC plant of 45,000 tons is being built at Baglan Bay. When completed the company's total PVC capacity will be 230,000 tons a year.

GATT in moves for new round of freer trade talks

BY OUR OWN CORRESPONDENT

GENEVA, Nov. 24.

MOVES to break the present deadlock and initiate a new round of trade liberalisation negotiations were made to-day by both the GATT Secretariat and several Trade Ministers attending the present session of the contracting parties.

There was considerable support for a Swedish proposal, reintroduced by the GATT Director-General, Mr. Olivier Long, for the establishment of a trade policy group consisting of senior officials and the chairmen of the three principal GATT committees, which should map out clearly the possibilities of renewed efforts to bring down remaining tariffs and to tackle non-tariff barriers and the problem of agricultural trade in a realistic manner.

Major statement

A new round of multilateral trade negotiations was held to be "essential" by the Japanese Minister for Economic Planning, Mr. Toshio Kimura, in order to correct "various distortions in world trade," and to ensure its sound development.

Noting that protectionist tendencies are emerging in a number of countries, "and will undoubtedly spread over the world, unless shot-term as well as long-term measures are taken by GATT to counteract such tendencies effectively," Mr. Kimura called on the contracting parties to reach a consensus at this session, "that global trade negotiations should be held as soon as contracting parties become prepared."

But he stressed that, failing this, it was up to each country to further liberalise its trade on an individual basis.

Much the same line was adopted by Mr. Long in what a GATT spokesman qualified as a major statement.

Warning that "it would be an illusion to believe that one, two or several countries would emerge with only a minimum of damage if trade relations were to deteriorate severely," Mr. Long said there was an immediate need to improve the present climate and avoid the risk of a further escalation of trade restrictions.

Valid effort

"The most urgent task," he said, "is to seek the elimination or neutralisation of the most dangerous and irritating restrictive trade measures. This is indispensable in order to create a better atmosphere and to avoid the very serious risks that would result from a more pronounced deterioration in trade relations."

The GATT Director-General followed this up with a suggestion that a statement of trade policy should be adopted at this session designed to clear the way for a major new initiative and give confidence to the trading world.

While this proposal cannot be assimilated entirely with a declaration of intent, an exercise which the Trade Ministers engaged in already in 1967, it is seen here as a psychologically valid effort to break out of the current mood of pessimism.

But Mr. Long hedged his proposal with the proviso that longer-term trade liberalisation objectives could only be pushed forward as soon as the political situation permits this.

Both Japan and Australia supported the American proposal for the establishment of a working party to examine existing and proposed preferential and special trading arrangements under GATT, but Mr. J. D. Anthony, Australia's deputy Prime Minister and Minister for Trade and Industry, stressed in particular the need for progress on agriculture—"one of the darkest—if not the darkest—spots on the international trade scene."

Trade liberalisation, he argued, had so far favoured those industrialised countries able to take full advantage of tariff reductions, some of which, at the same time, had consciously adopted policies bringing about an expansion in their relatively high-cost, uneconomic agricultural production.

Expert group

While the right to pursue such policies could not be challenged, it should be recognised that the international community could not be expected to bear the costs, direct or indirect, of these policies.

Accordingly, Australia proposed the establishment of a small group of experts to seek solutions to the problems of agricultural trade and the means by which "meaningful commitments and undertakings might be given" between countries in relation to agriculture.

The Australian delegate also pushed for "a prompt examination" in GATT of the arrangements for the accession of the four candidate countries to the European Economic Community.

"It is highly desirable," he said, "that this examination and the attendant negotiations under Article 24:6 (of the GATT) should be completed before these arrangements begin to take effect."

It may be necessary, Mr. Anthony thought, to convene a special session of the contracting parties next year to consider the possibility of a further limited round of negotiations to supplement those flowing from the enlargement of the EEC which would permit other countries to negotiate concessions mitigating any adverse effects that the Common Market enlargement would have on their traditional export trade.

Overtaken by events, Page 7

Caribbean flying casino planned by air group

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

GAMBLING, with roulette and blackjack, aboard a luxuriously-equipped airliner on Caribbean "air cruises," is planned by Mr. T. D. "Mike" Keegan, chairman and chief executive of Transmeridian Air Cargo, which has recently acquired British Air Ferries from the Air Holdings Group.

Announcing some of his plans for the new TMAC-BAF group yesterday, Mr. Keegan said his aim is "unashamedly to put the fun back in flying."

The group will continue all its current passenger and world-wide cargo operations, which include scheduled services with passengers and cars between Southend and Ostend, Rotterdam and Le Touquet, and its rail-air services to Paris, Amsterdam and Brussels. Next spring a new service to Basle, with Zurich and Geneva connections, will be introduced.

The group operates nine CL-44 and five Carvair aircraft—all combined passenger-cargo-car-carrying aircraft. It employs 400.

Mr. Keegan said that now they will fit two turbo-prop CL-44s with 175 seats, where 189 is the legal maximum, "with super-sound-proofing, heavy-pile carpets and room for passengers to walk around and visit the cockpit if they wish."

Another CL-44 will be equipped with only 95 first-class seats, and will operate Caribbean Air Cruises every ten days, year-round, making several stops in the Caribbean.

On this luxury aircraft there will be roulette and blackjack, watched over by a "Penthouse Club Pet," a lounge bar, gourmet meals with champagne, and day-time-only flights.

Mr. Keegan commented yesterday: "This will be the new BAF—a fun airline that knows what service means."

As part of his streamlining of the TMAC-BAF group, Mr. Keegan has made major board changes. All previous BAF directors have retired, and his new management team has Mr. Alistair Macleod as deputy chairman and managing director, and Mr. L. Orr as sales director. Air Commodore Griffith Powell is joining the new group as European adviser.

Motor finance company refused Lords appeal

THE House of Lords Appeal Committee yesterday refused a finance company leave to appeal to the House in a case which its counsel, Mr. Isaac Jacob, said was causing concern to hire-purchase finance companies which do business with motor traders.

Commercial Credit and Discount Company (formerly Worcester Works Finance), of Holloway Road, London, N., had sought to appeal against a Court of Appeal decision on July 20 dismissing its appeal against the rejection by Judge Herbert at Westminster County Court of its claim for £314—the balance of instalments due under a car hire-purchase agreement—as damages for conversion against Cooden Engineering Co., of Bexhill-on-Sea.

Mr. Jacob said the decision was yet another obstacle in the path of finance companies doing business with motor traders. Among those who wanted the decision tested were the Hire Purchase Traders Association.

Cooden had sold the car to a dishonest trader, who while continuing in possession of it had sold it to Commercial, tricking the finance company into believing it was letting the car under a hire-purchase agreement to one of his customers. When the trader's cheque bounced, Cooden repossessed the car.

In the Appeal Court, Lord Denning had said it was a case in which one of two innocent parties must suffer — either Cooden or Commercial. That court found in favour of Cooden.

Some Scottish and Newcastle Breweries prices up next week

BY KENNETH GOODING

THE price of some beers in Scottish and Newcastle Breweries' outlets in the North East of England are to go up next Wednesday because of "the general rise in costs and overheads," the company announced yesterday.

About 800 of the S. and N. outlets, which total 1,800 in Northumberland, Durham and parts of North Yorkshire, are affected.

The effect at retail level in S. and N.'s managed houses will be for cask and cellar tank beers and Blue Star keg to go up 1p a pint, other keg beers go up ½p a pint and bottled beers by ½p a small bottle, 1p a large bottle and ½p a "split" bottle.

Two stages

S. and N. maintained yesterday that if the total increase was taken as a percentage total of group beer sales revenue, the increase amounted to 1.7 per cent. "This is well within the limits set out under the recent CBI undertaking on price increases," it added.

A spokesman also pointed out that beer prices in the North East have always been below those charged in other parts of the country.

Since the Government ended the price "freeze" on the public-bar price of beer a year ago, S. and N. has put up the price of all its beers in two stages, in December, 1970, and June this year. Beers in the North East went up in December.

On November 1 this year, the company put up prices of some beers at the retail level only and only in its managed houses in Scotland to offset large rates increases in that country.

UNIT-LINKED INVESTMENT

'Becoming too complicated for man in the street'

FINANCIAL TIMES REPORTER

UNIT TRUSTS were now capturing an increasing share of the investment market, Sir Harry Page, chairman of the Chancellor of the Exchequer's committee for the review of National Savings, said in London yesterday.

Opening a two-day conference organised by the Financial Times and Investors Chronicle on Unit-Linked Investment and the Public, he said unit trusts for the small investor were very satisfactory and would grow in strength but they were becoming too complicated for the man in the street.

Equity buying by the small man was pressuring the market, pushing up the price of equities, and pushing around money which was not directly contributing to the development of industry and the welfare of the economy.

20% redemption

Mr. David Maitland, managing director of the Save and Prosper group, said that it seemed about 50 per cent. of unit holders in the industry at the beginning of 1960 still retained their holdings. With the building societies, it seemed there was a complete turnover of funds every four or five years indicating an annual redemption of about 20 per cent.

In 1970 withdrawals were some £1,867,000 on average funds of £9,397,000, or just under 20 per cent.

In that year the unit trust industry's redemption rate was 5.3 per cent. It seemed therefore, fair to assume the public appreciated unit trust investment was a long-term proposition.

Over the years they had had to contend with taxation and tax change. Currently, the battle was on to shed the burden of tax on capital gains on underlying security transactions. The Government promised to review this in the 1972 Budget, and believed it had a good case for exemption, a case confirmed by the Select Committee's report on corporation tax.

This would be a big spur to the industry's progress and its competition with single premium business.

The tax on capital gains was also relevant on the international scene. It was the largest barrier preventing Europeans, and others from buying unit trusts; proposed EEC entry made it timely to remove this barrier to international sales.

The industry in the U.K. was, at this stage, ahead of world competitors. It had pioneered the "insurance-link" of the last decade and avoided the legal tangles of U.S. firms. It had not got caught up with the short-term "booms" which hurt the business in Japan and South Africa, nor become as dull or inbred as the orthodox industries in Germany, Switzerland and Austria.

More "education"

On Sir Harry's statement that the business was too complicated, Mr. Maitland said it was no more so for the public than any other aspect of the financial world, but more "education," down to grass roots level would help.

The solicitor's viewpoint was given by Mr. C. J. Messer deputy managing director of the Save and Prosper. He stated that the solicitor should recommend his clients to invest in unit trusts much more often than he did now.

A solicitor in general practice should not in the public's interest, and could not afford in his own interest, to be unconcerned with the field of money and investment.

There was some evidence that solicitors were tempted to relinquish this vital role in favour of other professions. He hoped that any trend in this direction might be reversed and that, with every encouragement from the Law Society, solicitors would organise their practice so that too a much greater degree they would hold themselves out as willing and able to give general financial advice for a fair fee.

Unit trusts offer a great diversity of investment opportunity, he commented.

In the field of unit trusts and long-term savings in equities the choice was not as bewildering as perhaps the Press sometimes maintained. It was a question, as in the case of any expert, of first building a relationship with people it was possible to work with in confidence, then identifying a management determined to be in business to provide an expert service to the public and their initial advisers, which was also a comprehensive service for the foreseeable future.

If a relationship of this kind could be established it would be a greater value to clients than a series of approaches designed to find a last percentage of performance or the last penny of interest.

Stockbroker's view

Mr. Denzil Sebag-Montefiore of Joseph Sebag and Co., giving the stockbroker's view on investment recommendation, said one of the most important considerations in deciding whether or not a client should be recommended to unit trusts or portfolio investments was to recognise the differences and relative advantages of each.

In the early days when there were just fixed, and later, flexible trusts to invest in, a purchase was just like buying the market. Now it was different, and the successful management of its funds was quite fundamental to the prosperity both of the fund manager and the unit holder.

A unit trust manager had to consider the prospect of future sales and repurchases of his units as well. He was not really a free agent to choose his own liquidity, but had to prepare for, and in the end accept, the run of events outside his control.

There were 15 trusts with funds between £20m. and £100m. and 21 between £10m. and £20m. It must be too great a risk for them to go much more than 10 per cent. liquid and if their market re-entry timing was late it could upset their performances for a year or two. It was a different story for some of the smaller trusts, several of whom had gone up to 40 per cent. liquid at times.

For choice he would pick a fund where there was a life assurance or saving scheme, other things being equal. He would prefer a fund orientated towards income, especially if one had to buy near the top of the market. Conversely, assets and growth funds were more attractive purchas[es] when there was more to go f[or] in the market.

Accountant's view

The acocuntant's view was [given] by Mr. A. P. W. Simon, Ta[rget] Trust Managers, who said [unit] trusts impinged on a practic[e in] four ways—from the point of of their trust department, f[or in]vestment of individual funds, for tax planning a[nd] pension funds.

There were few tax pl[anning] schemes, he said, wher[e unit] trusts and unit-linked as[surance] could not play a useful [part, in]cluding investment c[…] schemes and various ty[pes of] settlement, including ch[…] settlement.

Another aspect of tax p[lanning] where unit trusts played [an im]portant part involved life [assur]ance schemes.

As regards tax plannin[g] generally, most unit trust groups had very efficient tax planning departments willing to prepare schemes to help the busy practitioner.

Regarding pension fund investment, many unit trust groups had set up exempt unit trusts to assist self-administered pension funds to make the best use of the invested premiums. The Funds were exempt from capital gains tax and the pension fund recovered the income tax deducted at source.

Professor J. M. Samuels, Professor of Business Policy, Graduate Centre for Management Studies, Birmingham, said unit trusts had offered a great opportunity, giving a new spectrum to the investor, but Press advertisements usually merely emphasised performance.

Only in the last few months had advertisements appeared that even suggested it was possible to lose money on unit trust investments.

Unit trusts tried to raise money at the top of a "bull market." This, from their point of view, was sensible, but from the public viewpoint it was not so. Managers of unit trusts must know the market was going to turn downwards, but they still tried to attract funds by emphasising good past performances.

Press advice

The Press did not offer the correct advice at times like this, and one wondered whether they were really trying to help the public or encourage unit trusts to advertise in their papers.

To be fair the Press was now emphasising that unit trusts were a medium to long-term investment, but there must be many holders who bought them looking for short-term gains.

The big selling point of unit trusts should be their safety, but this was played down.

"Unit trusts serve the public and have given them lots of opportunity they did not have and the potential is incredible, but let us recognise they benefit others too and a lot of improvement can be made."

The financial column of a newspaper had a greater responsibility than a man who tipped the horses.

His views were not, however, a general comment on the newspaper industry, he added.

Call to vary recognition basis in State pensions

BY MICHAEL BLANDEN

DOUBTS about the basis of the new State reserve pension scheme and its relationship with private schemes are expressed in the latest issue of the Metropolitan Pensions Association's monthly review. Discussing the proposals recently set out by the Government, the MPA argues that alternative requirements for the recognition of occupational schemes should be allowed.

It is pointed out that, as other comments have already made clear, the "money purchase" basis of the proposed reserve pensions scheme means that the scheme is much more favourable to younger members. For occupational schemes providing benefits little more than the 1 per cent. of reckonable earnings required for recognition, there could be pressure from younger employees to opt out in favour of the reserve scheme where they could get better benefits. This in turn could prevent employers from setting up their own schemes.

Encouragement

MPA therefore suggests that an alternative arrangement, allowing recognition requirements established on a money basis—say, for schemes receiving a total of 5 per cent. of reckonable earnings—could "go further than the White Paper in encouraging the setting up of occupational schemes."

The MPA also points out the small benefits, "in many cases minuscule," which will be provided by the reserve scheme. Because of its money purchase basis, the scheme has a 44-year run-in period for the maximum benefit. "These pension levels are hardly comparable with either reasonable occupational scheme provision, or with general European levels."

SAFETY BARRIER FOR 72 MILES OF M1

The 54 miles of M1 between the Scratchwood service area in Hertfordshire and the junction with the M6 at Catthorpe, Leics. now has a safety barrier on the central reservation. A barrier now extends for 72 miles from the southern end of the M1 at Fiveways, Hendon, to Catthorpe.

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ANCIAL TIMES REPORTER

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fire at a cotton-spinning
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October peak has accen-
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)er's total was £300,000
than the previous peak of
recorded in both May
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at a Scottish warehouse
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each involved damage of
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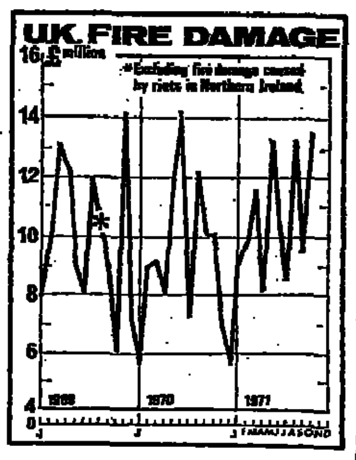
BIA commented: "None of
ires was at premises pro-
by sprinklers, and the fire
cotton mill started in a
iprotected by sprinklers."
of 99 fires estimated to have cost more than £10,000 each, more than a third occurred in places used by the public, such as hotels, schools and shops, the BIA said.

All the figures represent material damage only and do not take into account disruption of business and loss of production or exports.



Iagistrates urged) explain verdicts

TRATES should give their
: for reaching a decision in
l cases, the Law Society
nends. At present
rates have merely to state
decision without saying
facts they accept and whose
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causes great difficulties
people seek to appeal
the magistrates' decision,
the Law Society, the
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published yesterday.

report points out that in the
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must give our reasons, not
that if we are wrong a
court can upset us but so
ie public can learn of the
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report, which will be sent
Home Office and the Lord
llor's office, calls for a
r of changes in the system
peals from magistrates'

iints out that 98 per cent.
criminal cases are heard in
rates' courts and yet there
obligation on magistrates'
to keep notes of evidence.

"It is constantly the experience of advocates that it is impossible to determine whether a decision adverse to their client is based on law, fact or both."

The Law Society also urges that successful appellants should recover their costs from public funds unless it was shown that they were the authors of their own misfortune.

"While we have no desire to encourage reckless appeals, it is important to be satisfied that aggrieved defendants are not discouraged from appealing because of excessive cost."

The report also urges that people should have a right of appeal in cases where they have been ordered to forfeit their surety for someone who has failed to surrender to bail.

Wider powers

The report recommends that the Queen's Bench Court where appeals from magistrates' courts on points of law are heard—and crown courts, where the majority of appeals will be heard, should have wider powers to deal with injustices before magistrates.

It says that a court with the status of the divisional court should exercise a powerful all-embracing jurisdiction over magistrates' courts, with a minimum regard to procedural technicalities.

The Law Society also recommends that there should be a right of appeal by legally-aided people against the amount they are ordered to pay towards their defence costs.

Londoners 'ignorant of new town attractions'

NOT ENOUGH London families know about the opportunities for homes and work in the new towns and much closer co-operation is needed between the various authorities to help families make the move from London.

This is the main conclusion of a report published to-day on Peterborough Week held in Lambeth last March. During the week Peterborough Development Corporation, Lambeth Borough, the GLC, and the Department of Employment set up open house in Lambeth housing centre to tell Lambeth people about Peterborough.

Nearly 500 families registered a firm wish to live and work in Peterborough, over 80 miles away—given the right job. Three hundred of them had not previously considered moving and were not until then registered with the GLC as wanting to move to a new or expanding town.

So far, says the report, about 80 people have been offered job interviews, and 31 families have moved to Peterborough. The Development Corporation is keeping in touch with the remainder until the employment situation improves.

The report adds that many more would have moved if the arrangements for the Peterborough week had not coincided with the deterioration in the country's economy. Some jobs were available, but preference had to be given to unemployed Peterborough men.

Peterborough Week in Lambeth was the first direct approach by a new town development corporation to London people in poor housing, and "the week's success marks the beginning of a new relationship between the problems of London and the expansion programmes of cities such as Peterborough."

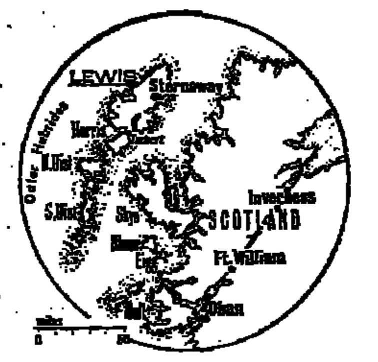
Commenting on the report, Mr. Wyndham Thomas, development corporation general manager, said: "We have shown that the face-to-face contact of such a week is the most effective way of telling Londoners about a new town, provided—and this is important—that the country's economy is healthy again and that many more jobs are available than turned out to be the case this year.

"There are already encouraging signs of improvement in Peterborough, so we look forward now to strengthening our contacts with the GLC and the London boroughs faced with severe housing problems that cannot possibly be solved within London."

REPORT FROM THE REGIONS

BY ANDREW HARGRAVE

Hebridean life at the crossroads



THE ISLE of Lewis is not Clydeside and Stornoway, its main town, is not Clydebank. The overall unemployment rate is 26 per cent. (34 per cent. among men), which is only a little above the average of the past few years. But there have been no work-ins, no sit-ins, no angry demonstrations by the crofters, the weavers, the fishermen. Stornoway is as placid a place as any in the Scottish Highlands, and outward signs of poverty are few.

It may be that unemployment in the Outer Hebrides is different in kind as well as in degree from the relentless squalor of more industrialised areas where the workless finds it hard to supplement his dole. On Lewis—with its 3,500 crofts—salmon and trout poaching (strictly illegal but freely admitted) helps to eke out earnings.

Social security

Up to a quarter of the 1,200 unemployed are crofter weavers, technically self-employed and therefore ineligible for normal unemployment benefit. They receive social security payments instead. A further fifth are construction workers, again mostly crofters. Between them these two groups account for nearly half the register yet few can be seen idling around the Labour Exchange at Stornoway as they might in an industrial town on the mainland.

Less than 100 of the male register can be classified as tradesmen and the number of jobless boys, 52, is also comparatively low. The latter suggests a large proportion staying on at the town's excellent high school and, somewhat more alarmingly, emigration.

It is estimated that a quarter of the 15-to-34 age group leave Lewis each year. Emigration of the young and talented is believed by the islanders to be an even greater threat to the future than unemployment, high as it is. It is common to all remote parts, particularly if separated by water from the mainland. But on Lewis it is aggravated by a certain amount of mental as well as physical isolation; the survival of crofting, which slows down the processes of industrialisation, and a harsh and somewhat intolerant Presbyterian climate which still bans the sale of newspapers on Sunday.

The slow drift into decline, with Lewis's population falling by about 15 per cent. to just over 20,000 in the past 20 years, is not going unchallenged. There are moves both on the island and outside it to ensure the survival of the main existing industries of Harris tweed and fishing and to bring in new ones suited to the skills of the islanders.

The Highlands and Islands Development Board has spent around £750,000 on Lewis in the past few years, mosty on rebuilding Stornoway's fishing fleet. It also bought a processing factory from the Herring Industry Board which ran into heavy losses and was saved at the last moment by its sale to a Norwegian processor with help from the Stornoway Trust.

The benefit of the Highlands Board to Lewis is hotly debated, particularly by the Harris tweed industry although, as we shall see, it too looks to the Board for help in its future plans.

Technically Lewis, alone with Harris in the Outer Hebrides, falls within the jurisdiction of Ross and Cromarty Council, which has helped by appointing a full-time development officer and also by commissioning a survey about Lewis's economic prospects. It will be completed by the end of the year, but the preliminary indications are not very encouraging.

So the islanders have launched a campaign of self-help. A development fund, with an ultimate target of £150,000, is being set up by an "Attraction of Industry Committee" headed by Stornoway's Provost, Mr. Sandy Matheson. Its aims were recently outlined by Mr. Matheson who, at the age of 30, is the youngest Provost the town has ever had.

Mr. Matheson has written to Premier Ian Smith of Rhodesia asking him to "unfreeze" the £75,000 Macaulay Trust Fund which had before UDI helped to buy a couple of fishing boats. (The late Murdo Macaulay emigrated from Lewis to Rhodesia, where he made his money in sold. The Committee is also prepared to lease part of the 60,000 acres of Stornoway Trust estate at nominal rent. Around 1,500 people—tenant farmers, old people, fishermen—live on the estate, but there is plenty of space for prospective developers.

Then there are the Lewis expatriates, prospering in many parts of the world. Some of them, Provost Matheson believes, would be proud to serve as "Ambassadors" for Lewis; others might contribute to the fund and leave it at that.

The Fund, says Provost Matheson, could be used to lend out money at nominal interest to worthwhile promoters, "based on character rather than security," and also to supplement aid provided by the Government, the Highlands Board and other agencies. It would also promote and publicise native crafts and skills and assist in maintaining the worthwhile aspects of Hebridean life and tradition.

The Provost and his co-promoters of Lewis in and out of Stornoway (a certain amount of rivalry between town and its surroundings is evident, even to the casual observer) are, however, realistic enough to see that one job saved is as good as one job gained. As one-third of the island's total working population is employed in spinning, weaving and processing Harris tweed, the future of this basic industry is very much tied up with the prospects of Lewis.

But Harris tweed, firmly rooted in the crofting system which guarantees its trade mark, is at a cross roads. Customers are increasingly restive about the narrow 29-inch cloth and want the wider 54-inch cut to suit their machines. This would mean changing the traditional 29-inch looms to the double width ones in up to 800 crofter's cottages scattered throughout the island—a formidable problem aggravated by the size of workshops, the crofters' built-in conservatism, the very real cost of new looms at £1,200 apiece which they would have to buy or lease, the negotiation of new rates of pay, and so on.

Yet what are the alternatives for an industry whose total output has now declined from its post-war peak of 7.6m. yards in 1966 to 5m. yards and two-thirds of whose sales are to foreign customers?

Weaving factories in Stornoway would, of course, smplify matters; but it would also wipe out the trade mark, the "Harris Tweed Orb" won after a long and costly legal battle, and it would spell the end of the crofting system—a prospect few on the island even bear to contemplate.

Question mark

Over the next few years the tweed manufacturers will embark on the process of converting the looms and, above all, the crofters to their use. The prototype is due to arrive early next year, and the employers plan to set up a centralised leasing company which will buy the looms, plus other equipment, and rent them out to the weavers. The total investment is expected to exceed £1m. Mr. Murdo Morrison, chairman and managing director of S. A. Newall and Co., the largest single enterprise on the island, is confident that double-width cloth will greatly increase the competitiveness of Harris tweed, particularly if Britain enters the EEC.

Fishing, the island's second largest industry, has received a shot in the arm from the Highlands Board's fisheries scheme and also from the fish-processing factories which have greatly increased local landings. Moreover, one of the first moves planned by the "Attraction of Industry Committee" is the revival of fishing from Carloway Harbour, on the west coast of Lewis, about 12 miles from Stornoway. A preliminary survey has found that nearly 100 people in the area would be interested in fishing and fish processing.

New small enterprise, revolutionised tweed and revived fishing is the strategy for halting the brain drain from Stornoway: but there is still a question mark. Strange as it may seem, the average wage on the island (a self-employed weaver may pocket about £18-£19 a week net) is considered too high by some employers, who also have to take account of "locational costs"—transport, larger stocks and servicing, and selling charges.

But Mr. Robin King, the development officer, would argue that if Shetlanders, under much tougher circumstances, could build up a thriving community, why not Lewis? And Provost Matheson assures visitors of an adaptable, intelligent labour potential. For industrialists wanting to get away from it all, what better place than Lewis with its pleasant harbour, fishing, sea lochs and golf courses? In the past year or two, two new hotels have opened on the island, and a third is under construction. Is this not a sign of faith in the future?

BOOKS

Mad North-North West BY DAVID FISHLOCK

A Question of Madness by Zhores and Roy Medvedev. Macmillan, £2.75. 223 pages

For those who feast on scare stories from science, here is one with an important difference from most. This one really happened that way, as you will be convinced after just a few pages. It is the story of a Russian scientist who spoke out against the censorship of inconvenient facts and discoveries in science. In their efforts to silence the critic the KGB arranged for another branch of science to certify him insane—"severe mental illness dangerous to the public"—to the lasting shame of Russian psychiatry.

But the KGB under-estimated their man at every level—his courage, his determination, his scientific integrity and standing. Why they did so becomes clear from the way the story is told—in very low key, quite free from polemics, the tale of an utterly reasonable man.

Zhores Medvedev looks uncannily like a youthful Frankie Howerd in one of his serious moments. He is a biochemist and particularly a gerontologist or student of the mechanisms of ageing. Ageing is a study that has earned close attention in recent years, especially in the United States, where there is firm belief that science now knows how to extend the life-span. In 1962 Medvedev took charge of the Department of Molecular Biology at the Institute of Medical Radiology at Obninsk, and held the post until dismissed — illegally — in 1969. Then his troubles really began.

Medvedev had been out of work for a year when he began to get messages inviting him to call and discuss his teenage elder son, who had been a bit troublesome. At first he stalled, but soon came to see that it was him, not his son, they wished to discuss. This was confirmed when, with his son, he visited the Obninsk Psychiatric Clinic. They were separated, the son sent home and the scientist locked alone in a room. That time he escaped with the help of a knife.

The State forthwith abandoned even this modest pretence at subtlety. On May 29, 1970, they sent an ambulance for him, reinforced by three policemen and the man who plainly had been instructed to find Medvedev mad. This was Lifshits, head doctor at the Kaluga Psychiatric Hospital, where Medvedev was to spend the next 19 days. His first question is a gem: "Zhores Alexandrovich, is something troubling you?"

The book is really about the next 19 days. The story unfolds with immense dignity and more than a little wry humour; the more convincing because of the way it underplays the horror and hopelessness of the situation that seemed to confront Medvedev, his wife and his twin brother Roy. It is told in a literary style as original as the story itself. The two brothers provide alternate chapters, so that the reader learns at first hand what is happening both inside and outside the asylum. So closely matched are the literary styles that the reader is swept along as if it were one man's words.

The State's quarrel with Zhores Medvedev, there can be no doubt, stemmed not from what the West knows as political activity, but from his persistent efforts to free Russian science from irritating absurdities of bureaucratic bumbling. These efforts led him to write critiques that were circulated in *samizdat*—that is, privately published and distributed. Such a work was *The Medvedev Papers*, published in Britain earlier this year. A previous text, published in the West as *The Rise and Fall of T. D. Lysenko*, incensed men who, although discredited, were by no means dormant.

The authors end their spine-chilling tale with an attempt by Zhores to analyse the "incipient schizophrenia" of which he was said to be suffering, a conclusion founded on an alleged divergence of viewpoint between his professional and his "publicist" activities. Here he gives full rein to an ironical line in humour that is the best evidence of all that even those awful three weeks left his sanity unsullied.

Yorkshire Pakistanis at school

BY C. P. SNOW

A Wedding Man is Nicer than Cats, Miss: A teacher at work among immigrant children by Rachel Scott. David and Charles, £1.95. 192 pages

It is not often that a book makes one feel better, and the subject of this one does not at first glance appear specially invigorating—place, an industrial town in the West Riding, cast, children from Pakistan and India recently arrived plus their teachers, narrative, the first two or three years at school. Yet the book is a delight. It is warm-hearted, tough-minded, quite unsentimental, entirely free either from false optimism or false pessimism about race, and often inordinately funny. It ought to be read, and no doubt will be, by anyone connected with the Race Relations Board—and also by all decent undergraduates who share the major concern of their generation.

Mrs. Scott was invoked by a friend (Infants' Miss) to join a special English department in a primary school. This special department, after various other attempts at the problems, was set up to cope with a flow of children, swelling very fast since the late fifties, whose fathers had come over to work in the local mills and on the buses. These children nearly all came from Asian villages, arrived at various ages, and with various languages (Urdu, Hindi, Punjabi, Pushtu) but no English.

How to set about it? How—not to try to "integrate" them, for that is a silly word and Mrs. Scott and her colleagues were too sensible and imaginative to think of it—but to make them able to take a part, without unnecessary distress, in English life? It was a job most of us would have shied from. Mrs. Scott and the others tackled it. She wouldn't claim that they had been totally successful, but they accomplished a lot, and Mrs. Scott is modestly proud of her part. Anyone who reads the book will be more than modestly proud of her.

Curiously enough, the main problem was not linguistic. That was the easiest item in the whole project. The teachers didn't learn Urdu, Punjabi, etc. (to cope with a class they would have needed several languages), but, with occasional interventions from Asian teachers, the children, or most of them, soon learned workable English. In some quarters, it appears to have caused surprise that (a) some children had a markedly deficient linguistic ear; (b) the brightest of them orally weren't necessarily the most intelligent. It is very hard to be patient with that most fatuous and dangerous piece of educational optimism, that is, that 'given equal opportunity everyone will do everything equally well. Have these pundits ever looked at their own families? Or at themselves, as far as that goes?

Intellectual capacity wasn't a problem either. Very broadly, they seem to have been about as able as a random selection of English children. There is some slight evidence that in mathematics the average level might be a little higher. Since what we call intelligence is a very complex thing, in other fields the average could be lower. They were singularly bad at most forms of childish art, which is rather odd.

The major problems lay elsewhere, and were cultural in two different layers, one shallow, and one deep. The shallow layer could be handled, using ingenious devices which provide some of the more agreeable incidents of the book. This cultural divide, the shallow one, is easy to understand. These children, as I said, came from Asian villages. That meant that their material background was similar to that of the ancestors of most of us 200 years ago. No lavatories. No traffic: it was a hazard, when they came to Yorkshire, getting them across town streets. No mechanical toys, and almost no toys of any kind (which train us early, without our realising it). No timekeeping, in the western industrial sense. Clocks and watches dominate a great deal of our lives: without them, as in Pacific islands quite recently, one started a cricket match by the sun (how did one arrive in time for a play at the Globe, and how punctually did it begin?). Nomenclature. All Sikh males are called Singh. Muslim children don't have surnames in our sense. Dates of birth were usually impossible to establish. Western food was unfamiliar, horrible and sometimes horrifying to these infants. To us, there doesn't seem anything especially alarming about a jelly—"It walking," cried one little Pakistani in terror, convinced that it was alive.

All of these cultural differences are, of course, matter-of-fact. Some of the ordinary routine of living had to be learned, but it was learned. Quite quickly, these children could race across zebra crossings and get to appointments on time. The change from the village has proved not to be a traumatic one. But there is a deeper cultural division, and there the edges are sharp.

All these children came from genuine cultures, religion-based, which most of their parents are determined to preserve. The Hindu culture is much older than ours. The Sikh culture is strong. And the Muslim culture has shown itself, all over the world, the most resistant of all to external influence. It is desirable to realise the difference between these situations and the Caribbean one. The Caribbean slaves lost their languages, and their masters didn't even leave them their names. As Learie Constantine said, in his one and only, and very moving speech in the Lords: "We are black Englishmen We can be nothing else."

But that is the opposite of the case with the Asians. As Mrs. Scott observes, with her usual sense of reality

"... it was not desirable to manufacture a race of brown Englishmen, though that is the process envisaged by most of the people who talk so glibly about integration. Every racial minority has a right to its distinctive habits and culture, and exile breeds a psychological climate in which these are nurtured even more carefully than in the homeland ... we encouraged our children to retain all that was good of their own cultures and above all, to be proud of being Indians or Pakistanis, whilst encouraging them to conform to such western standards of behaviour as would enable them to take their place in the community without embarrassment to themselves."

That was not only wise, it was enforced. But Mrs. Scott would be the last to pretend that there aren't going to be tensions. The most obvious, and also the gravest, is caused by the position of Islamic women. Islam is a noble and austere religion. I don't like a good deal about my own culture, and I wish we had some of the Islamic virtues. But about women we can't compromise. I find it hard to envisage these two attitudes co-existing for long.

There are other attitudes, perhaps less fundamental which shouldn't co-exist for long. Mrs. Scott, who is not illusioned and has seen much, reports on the hostilities between Muslim, Hindu and Sikh children, even in this foreign environment, where they are all in the same predicament. Hopeful and strong-spirited as she is, she wonders when human beings will stop maintaining—or inventing—group hatreds for themselves. It makes one blench. It makes one blench most of all, perhaps, when she tells us that the greatest hostility is of the brown children as a whole towards the black.

Still, she has kept up her courage, she has done work which is by any standards kind and good, she has written a most heartening book. Apart from her human qualities, she is a natural writer, lucid, unpretentious, candid and witty. Above all, a fine human being shows through, and one that is an example to the rest of us.

BAC chief calls for European aerospace scheme

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE EUROPEAN aerospace industry of the future may comprise only two main airframe companies and two major engine companies, in the opinion of Mr. Allen Greenwood, president of the Society of British Aerospace Companies and deputy managing director of British Aircraft Corporation.

Expressing his personal view of the current European collaborative scene, while delivering the Royal Aeronautical Society's R. K. Pierson Memorial Lecture at Weybridge, Mr. Greenwood said the present network of aerospace collaboration within Europe presented "a fairly chaotic picture."

"That is not to say that each individual collaborative arrangement is not working well. But it does demonstrate pretty clearly the difficulty of moving to what seems to me to be the next logical step in the collaborative process—the forging of more permanent links between the European aerospace companies.

"It is my belief that the permanent links ought to be European because they would be wholly within the spirit of the European Economic Community."

Objectives

Mr. Greenwood said he had no wish to prejudge or suggest any prospective partners, but it was his belief that Europe should look towards the following primary objectives:

First, the maintenance in Europe of an element of intra-European competition, thereby guarding against the apathy and difficulties which a monopoly could so easily create.

Secondly, that this competition should be international within Europe and not nationalistic.

Thirdly, that the ultimate groupings should include companies which together could sensibly handle programmes for the civil airlines of Europe and for the Air Forces of the NATO Alliance.

"These objectives could be brought about by the formation of two main European airframe companies and two major engine companies," he said.

Intermediate

Such measures, however, would be long-term objectives, since certain intermediate steps would have to be taken first.

"We know that complete merging between two companies of different nationalities has great complications. To give a simple example, Panavia, which is registered in Germany, produces a much more satisfactory level of return to our German partners than to ourselves.

"The reason for this is that of the dividends accruing from the profit of that company after German corporation taxation, there is imposed a further withholding tax upon dividends which are paid to shareholders of other than German nationality. This means that the non-German shareholders are probably 15 per cent. worse off in their pro[fits] than are the German sh[areholders]."

Mr. Greenwood said [the] financial directorate of [the] European Economic Commun[ity] was examining this problem [in] great detail, and no doubt [a] formula would emerge enabl[ing] genuine European companies [to] be formed under conditions eq[uit]able to all European sh[are]holders.

"But that time is not yet. [It] seems to me, therefore, that [the] intermediate steps which need [to] be taken are, in the first instan[ce], along the lines of a Panavia-t[ype] company for single projects.

"The partners in such a co[m]pany need to be carefully cho[sen] with a view to ultimate per[ma]nent arrangements and prog[res]sively and by varying administ[ra]tive devices, new projects sho[uld] be added to the joint comp[any] partnership until such time [as] the majority of the partne[rs'] business is being shared by t[he] joint company.

"That partnership is then w[ell] set up to take advantage of [the] fiscal relaxations which we h[ope] will emerge from the EEC le[gis]lation in the years to come. T[hat] there will be great benefit fr[om] this type of legislation I am [in] no doubt, and that is one of [the] reasons why I am an ardent s[up]porter of British entry into [the] EEC."

To-day's Even[ts]

PARLIAMENTARY BUSINESS:

House of Commons: Debate on Northern Ireland (continues on Monday, November 29): motions relating to the Civil Aviation (Designation of Aerodromes) Order [illegible] the Crown Court Rules.

House of Lords: Sierra Leone Republic Bill, second reading; Finance (Amendment) Bill, second reading; [illegible] progress in introducing cheaper air f[ares].

UNIT LINKED INVESTMENT AND [THE] PUBLIC, second and final day of conference arranged by the Investors Chronicle and the Financial Times. The chairman is Mr. Ronald Skerman, chief actuary of the Prudential Assurance Company and president of the Institute of Actuaries, and speakers are: Mr. Dryden Gilling-Smith, of the Legal and General Assurance Society; Mr. F. E. Hughes-Onslow, director of M & G Securities; Mr. M. Weinberg, managing director of Hambro Life Assurance; and Mr. Edgar Palamountain, deputy chairman of M & G Securities. Inn on the Park, W.1, 9.30 a.m.

SOCIETY OF INVESTMENT ANALYSTS: discussion meeting in the library of the Institute of Bankers, 10, Lombard Street, E.C., 6.30 p.m.

COMPANY MEETINGS:

AURORA GEAR AND ENGINEERING, Sheffield, 12. (Chairman, Mr. [illegible] Kirkman.)
CREST HOMES, Walton-on-Thames, [illegible] (Chairman, Mr. R. A. Skinner.)
DUCTILE STEELS, Willenhall, [illegible] (Chairman, Mr. R. Sidaway.)
ENOTS, Lichfield, 2.30. (Chairman, [illegible] R. Morgan.)
HEATON (WILLIAM), Sheffield [illegible] (Chairman, Mr. M. Sheppard.)
HUNT AND MOSCROP, Middleton [illegible] (Chairman, Mr. E. W. Hunt.)
INTERNATIONAL DISTILLERS & VINTNERS, The Churchill, 12. (Chairman, Mr. H. C. B. Berens.)
MAYNARDS, Vale Road, N., 11. (Chairman, Mr. J. D. Maynard.)
SUNGEI BAHRU RUBBER ESTATE, 5, Queen Street, E.C., 12.30. (Chairman, Mr. J. R. Tannock.)
TRICOVILLE, Winchester House, E.C. (Chairman, Mr. D. A. Jacobs.)
WALKER AND HOMER, Birmingham, (Chairman, Mr. G. R. Walker.)

Galbraith at large

BY WILLIAM KEEGAN

A Contemporary Guide to Economics, Peace and Laughter by John Kennett Galbraith. Andre Deutsch, £2.50. 352 pages

Many economists believe that Professor Galbraith has won the maximum public acclaim for the minimum theoretical contribution to their discipline; but that's life. Within an economic system which is in theory subject to the sovereignty of the consumer, but which he regards as dominated by the producer, Professor Galbraith has found a vast market for his products.

Galbraith tends to bite the hand which continues to feed him copiously. He also indulges in the time-honoured practice of knocking down men of straw, with lengthy denunciations of extreme textbook assumptions which nobody else takes seriously either.

There is another grouse which an otherwise devoted Galbraith reader would like to get off his chest: that is the way in which the president-elect of the American Economic Association proudly reminds us of his modesty, particularly with regard to the literary quality of his own writing.

To put it in words the great man might use himself, what makes Galbraith's writing fall short of perfection is its propensity to verbosity. The evidence for this is scattered about his two major books, *The Affluent Society* and *The New Industrial State*, over which he probably took too much trouble. *Economics, Peace and Laughter* is much more compact.

The earlier books were outstanding contributions to public debate. Much of what has been said on the problems of the environment and the quality of life since the 1950s has been highly derivative of Galbraith; and, possibly by overstating the dominance of producers in *The New Industrial State*, Galbraith at least led his dissenting colleagues to look to ways in which the sovereignty of the consumer could be strengthened.

The great thing is that Galbraith's contributions are practical, and as such they are deliberately aimed at wider audiences than economists. "*Economics, Peace and Laughter*" is a magnificent collection of essays which fully justifies the decision to re-publish them under one cover.

Professor Galbraith is extremely entertaining on the follies of U.S. economic and foreign policy, and draws on his experience as Ambassador to India in giving valuable insights into the problem of overseas aid. His chapters on aid should enlighten both those who think that all aid is good, and those whom experience or expediency has made too cynical.

On the present problems of advanced economies, Galbraith is in the happy position of the man who sees others being forced into his point of view. The need to redress the balance between manufacturers of motor-cars and people who wish to live in houses and breathe is slowly being recognised. So—although it is denied to the last—is the need to supplement the inadequate tools of demand management with controls on wages and prices. The idea that such a policy interferes with free markets "is self-evident nonsense. The policy interferes with markets in which the interference of unions and corporations is already plenary. It fixes in the public interest prices that are already fixed."

But economics are only a part of this book, which also contains Galbraith's extremely entertaining views on what passes for financial genius in the stock market, and some interim memoirs.

Children's reading

What about the story? BY IAN SERRAILLIER

I have felt for some time that the modern picture book for children is becoming unbalanced, and some of this season's examples confirm me in my view. On the one hand, we find artwork of great variety, skill and originality; on the other hand, except when it is matched to a traditional tale, a pale and flimsy text, in which novelty and ingenuity masquerade as a story.

With 4-5-year-olds this may not greatly matter. In **The Dolls' Party** by Annemie and Margriet Heymans (Deutsch, 75p), for instance, the perky line drawings are there to spark off amusing incidents—the things that go wrong for hosts preparing a party, and the delays and disasters that befall the guests on their way to it. The novelty here is that the climax of the riotous party comes in a double-spread in the middle of the book. To get to it you must start the book at both ends and journey—with the hosts, with the guests—to the middle. Ingenious, but children may soon tire of this kind of trick.

The Tomtit in the Rain (Chatto, £0.90) is a collection of some 14 traditional Hungarian rhymes, translated by Matyás Sárközi and C. Day Lewis, about birds and animals and the countryside. The rhymes are short, simple and strongly rhythmical. Erzsi Gazdag's charming and colourful pictures are unmistakably Hungarian in flavour. An excellent idea to make foreign nursery rhymes available in English, and I hope it will be followed up.

In **Little Turtle's Big Adventure** by David Harrison (Collins) bulldozers and steam shovels drive the turtle away from his home pond. Not much story, but J. P. Miller's pictures and the quality of the colour printing make the book good value at 50p (4-6).

Natasha's New Doll (Collins, £1.25) is about a small Russian girl who goes out into the snow-laden winter forest to search for her father. She takes with her a doll which is gifted with magical powers and rescues Natasha from a witch. This Russian folk story, beautifully retold and illustrated by Frank Francis—warm reds and ochres, freezing blues—is the best of the traditional tales. (Girls, 5-7.) I also liked Barbara Hazen's retelling of **The Sorcerer's Apprentice** (Methuen, £1.20). The sorcerer lives in a very solid stone castle built on steep rocks by the Rhine. Among his paraphernalia he has a "cosmic oven," and he can make himself appear and disappear in a puff of blue powder. The humorous and strongly visual text is a gift to Tomi Ungerer, the illustrator, who has obviously enjoyed himself. (Boys, 5-8.)

Of the modern stories I thought **Scribble Sam** by Eva Figes (Deutsch, £1.05) the funniest and most original. Sam, a born scribbler, "takes his chalk for a walk" over white walls, furniture, doors, everything. When his mother tells him to take his chalk for a walk outside, he zestfully tackles the sheets on the washing line with a muddy stick. Down-to-earth family stuff, well sustained by Joanna Stubbs's fulsome pictures. A good choice for boys of five upwards, if they're not too uninhibited.

My Fierce Tiger (Chatto Boyd and Oliver, £1.10) by James Hepburn, with pictures by Caroline Sharpe, should help small children to come to terms with their fears of wild animals. In the climax the child's toy tiger, which he takes to bed with him, frightens away the ferocious jungle tiger of his fantasy. **Minnie**, written and illustrated by Annette Macarthur Onslow (Collins, £1.25), is more demanding. When an extra family comes to occupy the upstairs part of a country cottage, the old white stay-at-home cat who regards this as her own proper territory runs away into the woods. Some frightening adventures follow, before she is found again. For children of 6 to 9 who like stories about animals both domestic and wild (deer, stoat, fox, steers and others also come in), and who appreciate sensitive drawings and are not put off by a lot of description.

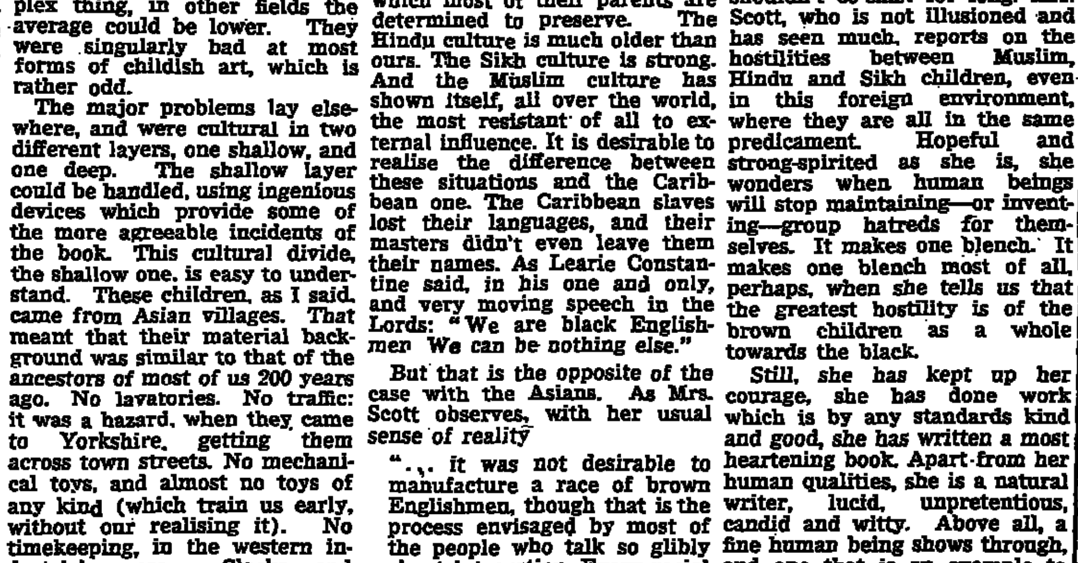
The Nuns Go to Africa, written and illustrated by Jonathan Routh (Methuen, £1.30), continues the saga of an indefatigable party of travelling nuns. Here the joke centres on the incongruous appearance of nuns in unfamiliar and exotic surroundings—sliding down a helter-skelter, jumping out of trees to land on a yellow car driven by a gorilla, and so on. I liked the pictures and the fun.

For 8-9 year olds who want factual detail and true and exciting adventures I recommend **The Travels of Marco Polo** by Bernard Brett (Collins, £1.50). How did this great explorer travel? What places and peoples did he visit on his mammoth journey across Asia? What legends did he learn? What were the customs of the people he met, their crafts, their trade, their way of life? Plenty of well selected information here, some of it in Marco's own words, and an excellent balance between the text and the colourful maps and pictures.

The Little Broomstick (Brockhampton, 95p) is Mary Stewart's first story for children. A small girl is obliged to spend her holidays with a great-aunt in an old country house. Hissing cats, a flying broomstick, a witch's spells, and a breath-taking chase through the night are the main ingredients of this well-plotted and exciting fantasy thriller (8-10).

For readers of 11 up who enjoy historical novels I recommend **Horsemen on the Hills** by Geoffrey Trease (Macmillan, £1.50). The setting is the Middle Ages, when the four young protagonists meet at Master Vittorino's enlightened school in Mantua. The atmosphere of this brutal period, at a time when there was already in some quarters great vigour in the pursuit of learning, is beautifully caught. From the struggle for power of opposing factions and a personal story of romance and adventure, Geoffrey Trease has contrived a fast-moving and eventful novel full of twists and surprises.

Also recommended for 11 up: **Young Winter's Tales 2**, edited by M. R. Hodgkin (Macmillan, £1.50), a collection of 10 new short stories and six poems. I particularly enjoyed Alan Brownjohn's very funny "A Contest in Crime," and Joan Aiken's "A Long Day Without Water."



Three books for the very young all published more than 50 years ago, "The Motor Car Dumpty Book" (the earliest children's book to have a motor-car title), "The Oogley Oo" (1903) by Gerald Sichel and S. C. Woodhouse, and "The Story of Little Black Mingo" (1901), Helen Bannerman's sequel to her hugely successful story of Little Black Sambo. They are among many fascinating illustrations in "The Collector's Book of Children's Books" (Studio Vista, £3.60, 144 pages) by Eric Quayle. It surveys the whole subject from the late 16th century to the present day.

Two Germanies BY IAN DAVIDSON

Germany in Our Time by Alfred Grosser, translated by Paul Stephenson. Pall Mall, £4.50. 378 pages

Italy Since 1945 by Elizabeth Wiskemann. Macmillan, £2.95. 142 pages

The timing of Professor Grosser's book is superb, both in terms of its subject and in terms of its audience. The average Englishman probably understands Germany less than any other European country, yet with British membership of the European Community now virtually a foregone conclusion, the time for comfortable alienation has passed, and there must be many who wish their ignorance were less abysmal. It is also an exceptionally interesting moment in German history, with the success of the Ostpolitik and the emergence of Bonn as a major political capital on the international scene.

Indeed, the Ostpolitik is, for Alfred Grosser, the logical conclusion of the process which started in 1945 with the occupation of Germany by the victorious powers and its division into two parts. He starts his story in 1945 which, he says, "we may regard as marking a clear break in German history," and concludes it in 1970 with the judgment that "there are two Germanies." If his book has a single theme, it is the paradoxical nature of the 1945 watershed: "In no other West European country does the past weigh so heavily on the present state of its international relations; yet no other country is so completely divorced from its own history before 1945 and conditioned by what has happened in the past 25 years."

While this assessment may seem to some people controversial, the authority of the author and the calibre of his book are undeniable. German by birth and French by citizenship and education, Professor Grosser has devoted much of his life to the study of Germany, about which he has written eight other books. Much of this knowledge has been distilled in *Germany in Our Time*, which is not merely a political history of post-war Germany, at once erudite and readable; but also an invaluable handbook of economic, political, social and intellectual life in Germany.

The book is not without its faults: the analysis of the economy is on the superficial side, the chapter on Moral and Intellectual Trends is something of a scamper, some German words and phrases are translated only after they have appeared two or three times, and the otherwise excellent critical bibliography is (understandably) somewhat biased in favour of books in German and French. But these are minor flaws in what is otherwise a fair, coherent, lively and excellently translated account of modern Germany.

It would be nice to feel so warmly about *Italy since 1945*, which attempts to do for Italy what Professor Grosser has done for Germany. Elizabeth Wiskemann, who died earlier this year, was an immensely respected commentator on international affairs, and this latest book contains a great deal of information about Italy. It must be assumed that she was not able to revise the typescript before her death, for the style in which it is written is clumsy, at times irritatingly so.

For fun BY ANTHONY CURTIS

Fun books continue to flourish and this year some of the glossiest are also some of the most attractive. *The Murder Book* by Tage la Cour and Harald Mogensen (Allen and Unwin, £3.25, 190 pages) is an illustrated history of the detective story from Poe to Ross Macdonald by two Danish crime fiction experts. They have assembled some marvellous material on a truly international scale.

If the thriller manages to survive even in the theatre revue is a dead duck. What we are missing may be studied in the latest compilation from the Mander and Mitchenson theatre collection, the story in pictures of *Revue* (Peter Davies, £4.00, 155 pages) including Gaiety Girls, Co-optimists, Airs on a Shoestring and Oh! Calcutta! with a revealing foreword by Sir Noel Coward.

The game of backgammon is having a revival and both its interesting history and its complex rules are traced in Oswald Jacoby and John R. Crawford's *The Backgammon Book* (£3.25, Macmillan, 224 pages). The layout is beautifully clear with black and red diagrams expounding the finer points of strategy.

Roulette for the Millions by Patrick O'Neil-Dunne (Sidgwick and Jackson, £3.00, 213 pages) is pretty high-powered stuff and the casual punter should approach it with caution. The bulk of it is a blow-by-blow account of 20,000 consecutive spins lasting 31 days and nights in the exotic setting of the Casino de Macao. A complete record of them is tipped into the end-papers of the book as a supplement. There are several morals to be drawn from the author's experience.

Gambling was but one aspect of *La Vie Parisienne 1852-70* (Hamish Hamilton £4, 296 pages) celebrated in a handsome and gracious volume by Joanna Richardson, who wears her vast knowledge of the period lightly.

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U.K. ECONOMIC INDICATORS

		1971			1970
General	Unit	Nov.	Oct.	Sept.	Nov.
Unemployment¶ ...	'000s	926	887	884	602
Unfilled vacan's¶	'000s	149	159	169	226
		1971			1970
		Oct.	Sept.	Aug.	Oct.
Bank advances ...	£m.	6,206	5,877	5,852	5,737
Gold reserves ...	£m.	2,171	2,089	2,003	1,141
Basic materials and fuel prices††	1963=100	136.3	136.7	137.9	126.5
Wage rates	Jan.'56=100	225.7	225.1	224.1	201.2
Retail prices	Jan.'62=100	156.4	155.5	155.3	143.0
		1971			1970
		Sept.	Aug.	July	Sept.
Retail sales val.**	1966=100	135.9	136.6	134.3	124.4
H.P. Debt¶	£m.	1,497	1,459	1,407	1,317
Terms of trade ...	1961=100	110	110	109	104
Industl. output**	1963=100	127.1	126.1	126.0	125.8
		1971			1970
Trade and Industry		Oct.	Sept.	Jan.-Oct.	Oct.
Imports f.o.b.**...	£m.	735	739	712	696
Exports f.o.b.**...	£m.	772	798	735	723
Visible trade balance**	£m.	+37	+59	+23	+27
Steel (wkly. av.)*	'000 tons	438.9	489.0	467.9	571.2
Radios, r/grms.†‖	'000s	95	96	74	90
TV sets†	'000s	248	307	190	241
		1971			1970
		Sept.	Aug.	Jan.-Sept.	Sept.
Man-made fibres*	m. lbs	112.1	100.0	112.2	112.3
Cars*	'000s	159.3	118.9	140.7	100.3
Comm. vehicles*	'000s	41.28	28.26	37.81	27.41
Houses compl't'd¶	'000s	29.4	26.0	28.0	30.2
Cement (weekly average)*	'000 tons	362	337	340	343
Bricks*¶	millions	581	511	524	543
Cat'ring turnover	1964=100	152	147	148	150
Furniture†	1963=100	128	129	131	141
Mtr. trd. turnover	1967=100	154	168	147	126
Hosiery*	1963=100**	144	148	150	144
Engin. and Elec. (orders on hand)	Dec.'63=100	120	118	120	123
		1971			1970
		Aug.	July	Jan.-Aug.	Aug.
Raw wools§	m. kilos	8.9	10.2	11.7	9.0
Made-up clothing (orders on hand)**	Dec.'62=100	158	169	166	141
Petroleum†	m. tons	5.73	6.09	7.37	5.96
Electric cookers†	'000s	56.2	62.0	72.6	45.8
Washing mchns.†	'000s	68.9	40.8	56.4	39.8
Textiles (orders on hand)**	Dec.'62=100	122	121	122	133
Raw cotton (weekly av.)§ ...	'000 tons	2.72	2.39	2.90	3.46
		1971			1970
		3rd qtr.	2nd qtr.	Year to date	3rd qtr.
Consumer spending**	£m. 1963 values	6,070	5,940	17,833	5,895
Factory approvals	m. sq. ft.	15.1	14.9	48.2	21.8
		1971			1970
		2nd qtr.	1st qtr.	Year to date	2nd qtr.
Machine tools† ...	£m.	45.6	55.6	101.2	48.3
Building and civil engineering* ...	£m.	1,384	1,238	2,622	1,261
Plastics*	000's metric tons	374.9	375.8	750.7	388.5

* Production. † Deliveries. ‡ Net sales. § Consumption. ¶ Gr[eat] Britain, not seasonally adjusted. ** Seasonally adjusted. †† [illegible] non-food manufacturing industries. ‖ Excluding car radios.
NOTE—Foreign Trade figures are seasonally adjusted.

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Customer-contractor plan for Government research

DAVID FISHLOCK, SCIENCE EDITOR

POSAL that Government h should be made more sive to the demands of arket place, made in a from Lord Rothschild's l Policy Review Staff, is ned by the Government in a Paper, published yester-

was also the central point earlier Green Paper on ment research, published uary 1970, by the Labour ment. But the new andum, A Framework for ment Research and pment, spans all Govern- laboratories, spending in more than £750m. a year. e mechanism proposed is it.

Rothschild, in an appen- the brief Government andum, recommends that boratory should set up, in its own commercial ment under a chief st who would work closely the "customer" — the ive department requiring of research to be done.

Lord Rothschild

bosses

a Government scientist find himself with two his divisional chief and ef scientist. But there are ents in Government and e Government laboratories, out the Rothschild Report. e is nothing organisation- normal or unsound about system."

laboratory would be under ommand of a controller D. as chief executive of search and development on. He would be the man accountable at head office, immune from parochial erations which sometimes the directors of individual ch establishments, how- objective they may aim to But there would be no line nship between the con- R and D and the chief st.

controller R and D would two responsibilities, sug- Lord Rothschild. First, to e his customers with an t research and develop- service. Second, to spend neral research surcharge." rk chosen at his own dis- n, and which would amount e 10 per cent. of the total t, averaged over all Govern- laboratories.

"customer - contractor ple." spelled out by Lord child, is endorsed by the nment for all of its applied ch and development, ever carried out by or spon- by departments.

Government also believes rinciple can be applied to search councils, the subject second appendix to the Paper. This is the report of. Sir Frederick Dainton, e future of the research il system, which was completed last May, although publication has been held up pending completion of Lord Rothschild's wider review.

Prof. Dainton's committee of inquiry was appointed by the *Council for Scientific Policy, to* investigate a Government proposal of a year ago that the *£18.7m.-a-year Agricultural* Research Council should be transferred to the Ministry of Agriculture and Fisheries. The Council for Scientific Policy felt that "no sufficient case had been made for what appeared to them to be an ill-advised change."

The five research councils, which between them now spend nearly £110m. a year, should remain with their present department, the Department of Education and Science, concludes Prof. Dainton. But their activities should be knitted together more closely. Their central purpose should also be strengthened by establishing a Board of Research Councils, responsible to the Secretary for Education and Science, which would see that they met *the needs of executive* departments for scientific support.

Prof. Dainton's conclusions are based on the premise that "science is a unity and . . . could only suffer by fragmentation *corresponding to the re*sponsibilities of different executive departments . . ." He there*fore sought* ways of unifying rather than fragmenting the research councils' work. But he allows for the "possibility of adjustments of responsibilities between councils and the transfer of specific activities both into and out of their field . . ."

This, he suggests, should be the responsibility of a new Board replacing the Council for Scientific Policy. It would include a chairman, the scientific chief of each research council, the president of the Royal Society, a university vice-chancellor, and others.

The Dainton Report's views, the Government concludes, are not at variance with Lord Rothschild's customer/contractor principle. However, Lord Rothschild has recommended that large portions of the budget of the Agricultural Research Council and Medical Research Council, and virtually the whole budget of the Natural Environment Research Council, should become the responsibility of, respectively, the Ministry of Agriculture and Fisheries, the Department of Health, and the Department of the Environment. Altogether, he recommends transfers amounting to £27.7m.—a quarter of the research councils' spending.

Changes involved

The recommendations made by the Rothschild Report — there are 55—could not, it admits, be *made overnight.* "*Many of them* will involve changes in attitude, orientation and procedure which will take time to accept, let alone digest." How they might be made should therefore be referred to the Government's chief scientific adviser.

Lord Rothschild was co-ordinator of Shell's £30m.-a-year worldwide research effort before his retirement, a year ago, to set up the Central Policy Review Staff. Sir Frederick Dainton is Dr. Lee's Professor of Chemistry in Oxford University, and a member of the Government's Central Advisory Council on Science and Technology.

A Framework for Government Research and Development. S.O., 52½p.

World orders for bulk carriers fall

BY JAMES McDONALD, SHIPPING CORRESPONDENT

DESPITE a "rallying" in the volume of new ship orders reported in the three months August to October, about two-thirds of the new tonnage—14.2m. d.w. tons out of a total of 21.5m. tons—comprised very large tankers, says the Fairplay shipping journal in its World Ships on Order supplement.

New orders for bulk carriers, says the supplement, slumped during the three months to 1.9m. tons, compared with 3.1m. tons in the previous three-monthly period, *and in terms of ships* from 71 vessels down to 49.

"The total world order book *for bulk carriers at the end of* October was lower by 10 ships and 636,000 d.w. tons compared *with the position at the end of* July."

Three of the bulk carriers, *totalling* 130,600 tons, *were* booked by British shipyards, but the review says that the three months were a lean time for U.K. builders, "for these are the only new orders reported for them during the period."

Cancellations

"Again heading the list for orders received was Japan, with 170 new contracts totalling *12.4m. d.w. tons*, nearly 58 per cent. of the total tonnage.

"This compares with an *approximate 40 per cent. of the* total world order book held by Japan. British owners placed orders for six vessels of 159,450 tons, four of them with overseas yards."

Despite the heavy volume of new orders, says the Fairplay supplement, a number of cancellations was reported during the three months.

"The net addition to the world order book, compared with three months previously, was 9.4m. d.w. tons, bringing it to a record total of 171.6m. tons."

Record hiring of industrial relations film

By Elsbeth Ganguin

THE interest employers and other organisations take in the new industrial relations legislation is demonstrated by their record demand for the Department of Employment's film "The *Industrial Relations Act—An* Introduction."

The DE has sold 138 copies of the film, and has had 687 requests to hire it. In November alone, 344 hirings were made, said to be a record for any film kept in the *central film library. The previous* record had been 212 hirings for the Decimal Currency Board's film, which was issued free.

The Department has also sold 1m. copies of its booklet outlining the Act, as well as 900,000 copies *of its guide to the Act. There has* also been a demand for 150,000 copies of the DE's registration booklet. The DE's consultative document on the Code of Practice has already seen three reprints.

RANKS HOVIS TO RAISE BREAD PRICES

Britain's biggest baker—Ranks Hovis McDougall—is to follow other leading bakeries and increase bread prices by ½p a loaf on December 6.

New U.S. standards 'would add £400 to £1,000 car'

BY MICHAEL CASSELL

IF THE safety and exhaust emission standards proposed by the U.S. Government were adopted in Britain, the price of a £1,000 car would rise by up to £400, Lord Rootes, chairman of Chrysler U.K., claimed yesterday in London.

Lord Rootes told the Motor Industry Research Association, of which he is president, that compliance with the standards which the American Government intended to introduce by 1975 would also substantially increase running costs.

He continued: "Some extra costs must, of course, be accepted in the development of improved products. However, while there is a constant need to seek ways of reducing road accidents and improving vehicle safety standards, the case for the universal application of the same kind of rigorous *standards for exhaust emissions* is less soundly based."

Lord Rootes emphasised that the motor industry had made clear its intention to support the adoption of recommendations made by the Economic Commision for Europe on the question of carbon monoxide emission and unburnt hydrocarbons as a legal requirement in the U.K.

Speculation

"One of the exhaust constituents which is a matter of public debate is lead compounds. The poisonous effects of lead are well known and there is much uninformed speculation about the consequences of lead emissions by motor vehicles. The fact that these are rising, due to an increase in the number of vehicles on the road, is causing concern in this country and elsewhere."

But Lord Rootes pointed out that there was no evidence to suggest that oxides of nitrogen or lead from motor exhausts were a danger to health in this country.

On the question of general environmental problems, he expressed concern at the way in which they had become an emotional and political issue.

"Society seems to have moved from an attitude of extreme complacency about the impact of economic growth and develop ment on the environment to on of near-panic, in which there ar now great pressures for instan drastic action, often without su ficient evidence that the remed proposed is the right solutio Nowhere is this more true tha in the case of the motor vehicl

Lord Rootes suggested that had become fashionable to loo on the car almost as a social evi "an instrument of death an injury, of pollution, noise an frustration" which made it eas to forget that it had substantia social as well as econom benefits.

More ITBs offer young people training places

BY ELSBETH GANGUIN

TWO MORE industrial training Boards have agreed in principle to adopt training schemes—with the Government bearing half the cost—which will help young people who failed to obtain apprenticeships this year to get training places.

The Construction ITB is to make 300 places available, and the Hotel and Catering ITB 200 places early in the New Year.

Already, the Engineering ITB is providing first-year off-the-job training for 2,500 craft and technician trainees. The Foundry ITB has provided 200 places, and the Rubber and Plastics ITB says it will train 100. The Road Transport ITB trains 1,000 young people, mainly in vehicle main tenance.

In addition, about 14 course in semi-skills for over 200 youn people started this term unde the Government's vocationa training scheme in colleges o further education and at em ployers' establishments. It i understood that 20 or mor similar courses, adding a furthe 350 training places, will becom available in the New Year.

Most of these courses, whic are run in the North of Englan Wales and Scotland, are i "industrial appreciation" an semi-skilled engineering. Th idea is to widen their scope i the future.

Councils 'should release more land for housing'

ECONOMIC IN

MICHAEL CASSELL

refusal of local planning rities to conform with nment policy and release land for the construction of te homes was blamed yester- or the "national disaster" of ng house prices.

Michael Latham, director- nate of the House Builders ration, told builders in ff that it was 11 months the Government had asked he release of more suitable ing land and also "the nth hour before the death of a genuine and long- ted opportunity to make e ownership available to sands of families otherwise ned to paying rent."

Drainage schemes

added: "I say death knell use builders all over the try are running out of land some of them have no more a year's supply in hand."

Latham explained that as e construction often takes up ree years from the granting planning permission, it was that the momentum presently building up within the industry would slow to a "disastrous halt" in some places unless more land became available within the next few months.

He suggested that local authorities could improve the situation *by bringing forward land* drainage and sewerage schemes.

"All over the country there is land designated for residential development lying idle for lack of drains and sewers. There is much land which would immediately become suitable for housing if drains and sewers were put in.

"A few pence on the rates would be *a cheap price to pay to keep* house building steadily rolling forward.

"Indeed, sewerage schemes at this time and at this stage in the development of the economy would prove a first-class investment which would reap a rich return in a year or two in increase of rateable values.

"Money is plentiful and labour is in good supply. Land drainage and sewage schemes could well prove a prime target for the Government's reflationary policies."

Radar-based system for Humber shipping

BY RAY DAFTER HULL, Nov. 24.

BRITISH Transport Docks rd plans to introduce a radar- d regulation system for ship- in the Humber estuary, it announced here to-day.

r. J. A. Lacey, Humber ports ctor, said the Board would osit a *Parliamentary Bill* later month as the first step to uiring powers for regulating ping movements to and from nber ports including Hull, nsby, Immingham and Goole. harbour master would be ointed shortly and he would in the introduction of the me.

was envisaged that work on dar surveillance system cost- about £500,000 would begin er late *next year* or in 1973.

r. Lacey told a Press con- nce that he believed the sent *industrial* peace in the ts had helped to re-establish fidence. This, he said, was ected in the increased amount inquiries for possible new les.

00,000 berth

he Board hoped next year to ld a *£400,000 new roll-on-roll-off* th in Queen Elizabeth Dock, ll, for the joint Ellerman's son United Danish Steamship vice between the Humber and berg, Denmark. Discussions re also going on with another sible user for a proposed new ro berth in the dock.

The Humber has about 37,500 pping movements a year, in- ding a large number of fishing sels as well as large tankers, tainer ships, ferries and con- tional cargo vessels. The regulation system was needed to increase safety factors and to avoid delays to large ships waiting to sail into port.

This was one of the board's plans disclosed to-day for the development of the Humber ports *which have been going through a* serious trading recession in the past year, aggravated by industrial disputes, in particular a series of one-day stoppages in Hull earlier this year.

Traffic figures for the first 43 *weeks up to October 24 show that* the Humber ports have suffered a substantial drop in cargo. Hull handled 5.28m. *tons* compared with 6.21m. tons during the corresponding period last year.

Immingham's traffic fell from 18.04m. tons to 12.62m. tons in the same period while Goole's traffic fell from 1.78m. tons to 1.29m. tons. Grimsby's total tonnage fell by about 60,000 tons to 937,675 tons.

In addition, the Board was negotiating with shipping lines which might use two adjacent roll-on/ *roll-off berths at Hull costing* a total of at least £3m. The Board has already acquired statutory *powers to develop* the berths although it is possible it may proceed with only one in the first place.

Mr. Lacey said that in the next few years the board would be concentrating on developing unit load North Sea traffic, trade which was likely to increase with Britain's entry into the Common Market. The Humber ports already have 13 unit load berths—six lift on and seven roll-on/roll-off—with a total of 49 unit-load sailings in each direction a week.

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GENERAL APPOINTMENTS APPEAR TODAY ON PAGE 18

COMPANY NOTICES

NCHANGA CONSOLIDATED COPPER MINES LIMITED

(Incorporated in the Republic of Zambia)

QUARTERLY REPORT

Estimated operating and financial results

	Quarter ended Sept., 1971	6 months ended Sept., 1971	15 months ended March, 1971
Copper production* (tonnes)	97 051	196 665	494 816
Copper sales* (tonnes)	103 381	209 652	475 983
Average proceeds per tonne	K740	K770	K91[illegible]
	K (millions)	K (millions)	K (millions)
Sales revenue—all metals	81.3	171.7	448.8
Cost of sales including administrative expenses	63.2	124.9	245.1
	18.1	46.8	203.7
Taxation	4.1	14.4	106.[illegible]
Net profit for period	14.0	32.4	96.9
Unappropriated profit brought forward	2.7	2.3	—
Available	16.7	34.7	96.[illegible]
Appropriations:			
Capital expenditure	7.0	16.0	43.[illegible]
Preference shares—redemption and dividends (net)	0.1	0.1	0.2
Ordinary dividends (net)	8.0	17.0	51.0
Profit retained	1.6	1.6	[illegible]
	16.7	34.7	[illegible]

* Finished production and sales of lead and zinc for the quarter ended September, 1971 were 21 988 tonnes and 15 631 tonnes respectively (6 months ended September, 1971: 43 679 tonnes and 36 333 tonnes respectively).

Lusaka
24th November, 1971.

(Issued from 40 Holborn Viaduct, London, EC1P 1AJ.)

ANGLO-TRANSVAAL INDUSTRIES LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF 6½% LOAN STOCK 1971/75
CLOSING OF REGISTERS

NOTICE IS HEREBY GIVEN that the Registers in respect of the above-mentioned stock will be CLOSED from 18th December, 1971 to 31st December, 1971, *both days inclusive*, for the purpose of payment of interest for the period 1st July, 1971 to 31st December, 1971.

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London Secretaries.
Per: F. G. T. Jones.

London Office:
295, Regent Street,
London W1R 8ST.
Head Office:
Anglovaal House,
56, Main Street,
Johannesburg.
25th November, 1971.

DE BEERS CONSOLIDATED MINES LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF PREFERENCE SHARE WARRANTS TO BEARER
PAYMENT OF COUPON NO. 125.

With reference to the notice of declaration of dividend advertised in the Press on 18th November, 1971, the following information is published for the guidance of holders of share warrants to bearer.

The dividend of one rand (R1.00) per share was declared in South African currency. South African non-resident shareholders' tax at 14.802 cents per share will be deducted from the dividend payable in respect of all share warrant coupons leaving a net dividend of 85.198 cents per share. The dividend on bearer shares will be paid on or after 4th February, 1972 against surrender of coupon No. 125 as under:—

(a) At the offices of the following continental paying agents to residents of the countries concerned for payment in the appropriate local currency:

Banque Rothschild,
21, rue Laffitte,
Paris, 9e.
Banque de Bruxelles,
2 rue de la Regence,
Brussels.
Banque Lambert,
24, Avenue Marnix,
Brussels.
Societe Generale de Banque,
3, Montagne du Parc,
Brussels.
Credit Suisse,
Paradeplatz,
Zurich.
Union Bank of Switzerland,
Bahnhofstrasse 45, Zurich.
Swiss Bank Corporation,
Basle.
Banque Lambert-Luxembourg,
59, Boulevard Royal,
Luxembourg.

In respect of coupons lodged at the office of a Continental paying agent the dividend payment will be made in South African currency to an authorised dealer in exchange in the Republic of South Africa nominated by the Continental paying agent. Instructions regarding disposal of the proceeds of the payment so made must be given to such authorised dealer by the Continental paying agent concerned.

(b) At the London Bearer Reception Office of Charter Consolidated Limited, 10/11, Austin Friars, London EC2N 2EY. Persons lodging coupons at the London Bearer Reception Office prior to 24th January, 1972 will be paid the United Kingdom currency equivalent of the rand currency value of their dividend on 24th January, 1972. In the case of coupons lodged at the London Bearer Reception Office after 24th January, 1972 the dividend will, unless the depositor requests payment in rand to an address in the Republic of South Africa, be remitted to the London Bearer Reception Office through an authorised dealer in Johannesburg at the then prevailing rate of exchange and the U.K. currency proceeds arising therefrom will be paid to the depositor concerned.

Coupons must be left for at least four clear days for examination and may be presented any weekday (Saturday excepted) between the hours of 10 a.m. and 2 p.m.

United Kingdom income tax will be deducted from coupons presented for payment at the London Bearer Reception Office, unless such coupons are accompanied by Inland Revenue declarations. Where such deduction is made, the net amount of the dividend will be the United Kingdom currency equivalent of 61.250 cents per share arrived at as under:—

	South African Currency Per Share cents
Amount of dividend declared	100
Less: South African non-resident shareholders' tax at 14.802%	14.802
	85.198
Less: U.K. income tax at 23.948% on the gross amount of the dividend of 100 cents	23.948
	61.250

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED
London Secretaries,
J. R. BYLES.

London Office:
40, Holborn Viaduct, EC1P 1AJ.
24th November, 1971.

NOTE: The Company has been requested by the Commissioners of Inland Revenue to state:—

Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African non-resident shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 23.948% instead of at the standard rate of 38.75%, represents an allowance of credit at the rate of 14.802%.

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N.S.C.R. Once again we aim to give an extra cash gift to many cancer sufferers at Christmas. Please help by buying our Christmas Cards—9 designs of assorted packs. Send for brochure National Society for Cancer Relief, Michael Sobell House, 30, Dorset Square, London, NW1 6QL.

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The control of foreign investments in Spain as well as their fiscal, economical and financial consulting are assured by our specialized services.

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MADRID-13-SPAIN

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small groups or single shops with minimum turnover of £25,000 p.a. Any locations in England and Wales will be considered. Every reply will receive immediate and confidential attention. Write giving details of shop frontages, trading areas, rentals, lease terms and any other relevant information.

Write Box B.6460, Financial Times, 10, Cannon Street, EC4P 4BY

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M AND G JIG BORING LTD.,
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Not only are our products cosmetically attractive and ophthalmically correct but also have added safety features.

If you can sell 5,000 pairs minimum next year and can provide business reference then write to us. Box B.6468, Financial Times, 10, Cannon Street, EC4P 4BY.

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STOP INTENSIVE INVESTMENT PROGRAMME LAUNCHED
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GUILDHALL KINGSTON UPON HULL STOP

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Telephone 01-236 2778

"We manage managements' problems"

CINEMAS (Cont.)

PARAMOUNT. Regent Street. 839 6494. Dustin Hoffman in Sam Peckinpah's STRAW DOGS (X) starring Susan George. Progs. 1.45, 4.05, 6.30, 8.50.

PLAZA. Regent Street. 930 8944. PAINT YOUR WAGON (A). Sep. perfs. All seats bookable. Progs. 2.30, 7.45.

PRINCE CHARLES. Leic. Sq. 437 8181. Jacques Tati as M. Hulot in TRAFFIC (U). Sep. perfs. 2.30, 6.15, 9.0. Sun. 3.30 6.15, 9.0 Lte. sh. Fri. & Sat. 11.45 pm Bookable.

RIALTO. 437 3488. MODESTY BLAISE (A). Progs. 12.50, 3.10, 5.40, 8.10.

RITZ. Leic. Sq. 437 1234. SHAFT (X). Progs. 2.0, 4.10, 6.25, 8.40. Late Fri.-Sat. 11.15.

STUDIO ONE. Oxford Circus. 437 3300. M*A*S*H (X). Progs. 1.10, 3.30, 5.55, 8.20. Last screening 8.40.

STUDIO TWO. Oxford Circus. 437 3300. THE HELLSTROM CHRONICLE (A). Progs. 1.15, 3.30, 5.50, 8.10.

WARNER RENDEZVOUS. Leic. Sq. 439 0791. THE DEVILS (X). SEPARATE PERFORMANCES. Weekdays 1.30, 3.50, 6.10, 8.40. Late Show Fri. and Sat. 11 p.m. Sundays 3.30, 5.50, 8.20. NO ONE WILL BE ADMITTED AFTER THE FILM STARTS. Normal prices (£1 10p seats bookable).

WARNER WEST END. Leic. Sq. 439 0791. Jane Fonda, Donald Sutherland in KLUTE (X). Pgs. 1.25, 3.40, 6.05, 8.25. Late Shows Friday and Saturday at 11 pm

CLUBS

EVE. All-in Dinner or a la carte from 9. Lavish Floorshows in 2 parts 10.30 and 1. 01-734 0557. 189, Regent St., W.1.

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BGE 115 16-24 KB, 3 magnetic tapestations. 30 k/cycles, 2 recordstations 36,000 lines printer.

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We wish to purchase for cash an advertising agency (London based) with good trading record showing pre-tax profits of £100,000. Smaller agencies will also be considered. Reply in strict confidence to Box B.6467, Financial Times, 10, Cannon Street, EC4P 4BY.

£50,000?

Are your annual profits near this level or higher? If so, quoted investment bank would like to hear from you. Brief details in strictest confidence to Chairman, Box B.6472, Financial Times, 10, Cannon Street, EC4P 4BY.

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is still the best centre for Europe, with or without Common Market interests. Englishman, late 40's, 20 years resident in Zurich, financially independent, linguist, widely experienced in general commerce, investments, sales, finance + tax, surveys, is prepared to represent your interests in Switzerland or Europe. Retainer and/or commission basis. Financial participation not excluded for sound proposition. Fullest discretion.

Please write Box B.6479, Financial Times, 10, Cannon Street, EC4P 4BY.

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هكذا من الأصل

...ircraft industry kept alive ...y subsidies, says Beeching

...AIRCRAFT INDUSTRY is ...t of Alice in Wonderland ...l, where subsidised engines ...put in subsidised airframes ...operated by subsidised air... "who don't want the ...hed things anyway," Lord ...hing said yesterday.

...swering questions from a ...mons sub-committee on trade ...industry which is investi...g public spending in the ...te sector, he said every... in the aircraft industry was ...ndent on Government aid.

...he whole thing has been ...extremely artificial by the ...vention of governments all ...the world," he said.

...d Beeching, who was for a ...time a non-executive ...tor of Rolls-Royce, appointed by the Industrial Reorganisation Corporation, said he thought the RB-211, the Rolls-Royce engine being used in the TriStar airliner could be made profitable.

The next generation of engines would cost more, so RB-211 sales would be much greater—"the ultimate outcome of the project may be more favourable than people are supposing."

Lord Beeching said that in many cases Government aid was destructive. "I think Upper Clyde Shipbuilders is now a more intractable problem than it would have been had there been no intervention earlier on," he added.

There were cases where sensible intervention would be welcome, but the evidence showed that "a general desire on the part of government to mould industry is damaging."

Asked about projects which would be in the national interest although not viable, he said "I think we should construct the Channel Tunnel though I am not convinced it will pay its way."

Higher ITV rentals and UHF expansion

BY ARTHUR SANDLES

DETAILS of the Independent Television Authority's expensive rush to keep pace with the BBC in providing 625 line UHF colour programmes are given in its latest annual report. This indicates that the ITA's position has been saved by a substantial increase in the rentals paid by TV contractors—without which commercial TV would have fallen behind in providing a UHF service.

"Without an increase in income of £3.5m., the authority would by the mid-1970s have had some 100 stations fewer in operation than the corporation," says the report.

The year 1970-71 saw the ITA produce a working surplus, after tax, of £1.99m. This was less than was needed for capital expenditure reserve, reserve for increased cost of replacement of fixed assets, and provision for deferred taxation. As a result £500,000 was taken from the Reserve Fund, reducing that to £6.1m.

Operating costs up

Operating costs for the year were £6.46m., compared with £5.14m. the year before. The increased activities of the ITA accounted for much of this rise.

This year the increased rentals paid by contracting companies will change the ITA position radically. Last year annual rentals were running at around £8m. a year. They are now at £12.13m.

Rentals range from Thames' £1.87m., London Weekend's and ATV's £1.57m., and Yorkshire's £1.2m. to Westward's £281,000, Ulster's £162,000 and Channel's £123.

The report makes the predictable calls for more hours for commercial television and talks of the need for a second channel. It also once more rejects the Prices and Incomes Board recommendation that there should be fewer contracting companies at the moment. Changes now, the report indicates, would produce a mood of instability in the industry.

"This is not to say that the Authority is wedded for all time to a particular division of the country among a fixed number, 15, of programme companies. Clearly, the system must be reviewed from time to time in the light of changing financial considerations and viewers' preferences." But the report says 1976, when the Television Act and the BBC Charter expire, will be time enough for that.

The total of different programmes put out by the 15 programme companies during the year 1970-71 was just over 7,500 hours. Of these nearly three-fifths, or 4,476 hours, were made up of local programmes produced for, and in general seen only in, their region of origin.

The report emphasises "the importance attached by the authority to the preservation in Independent Television during the current contract period both of the regional principle and of the individuality of the existing programme companies."

The report notes that the year saw a more concerted attempt by companies to exploit the overseas market. The great majority of exports are programmes produced originally for U.K. viewers.

During the year, 54 per cent. of the total time spent watching television in homes able to view both BBC and ITV was spent watching independent television, the report claims.

NEW BOEING 707 FOR DONALDSON

Donaldson International Airways, the Gatwick-based British independent airline, has ordered a further Boeing 707. This brings the airline's fleet to four 189-seater 707s, all bought in the last 12 months from Pan American.

Go-ahead for Occidental's Canvey Island refinery

BY ADRIAN HAMILTON

AFTER over a year of delays and uncertainty, the Government yesterday finally gave the go-ahead for Occidental's £40-£50m., 6m.-ton-a-year oil refinery on Canvey Island.

At the same time, however, Mr. Peter Walker, Secretary of State for the Environment, turned down a joint application by Murco and ENI to build a 4m. ton-a-year-plant on a nearby site on the same island.

The decision was welcomed yesterday by Occidental, which first applied for local planning permission for a refinery on Canvey Island in May of last year.

Equally, Murco, a subsidiary of the U.S. Murphy Oil Corporation, and ENI, the Italian state oil company, expressed grave disappointment at the result.

Murco, which sells through about 500 stations in the U.K., has already had an application to build a separate 2.5m. tons-a-year plant on the Clyde Estuary turned down in spring of last year.

Joint project

It joined forces with ENI—which has owned a site on Canvey Island for some years—late last year, after ENI had failed to reach an agreement for a joint project with Occidental.

Both applications have gone through a full planning inquiry and, in deciding to refuse Murco-ENI, Mr. Peter Walker said yesterday that it was "important to maintain a significant area of open land between the Thameside area and the residential area of Benfleet."

He did, however, leave some room for a revised application by stating that "a similar development would not necessarily be ruled out in this area if a site could be found to which serious amenity objections did not apply or if a joint project were devised incorporating the Occidental site."

Both ENI and Murco, while saying they had not yet made any decisions as to their next move, are now expected to pursue the possibilities of either proposing a different plan or negotiating with Occidental for a joint refinery.

Murco, in particular, is keen to find a site for the second half of the decade in the U.K., as its major marketing business in Europe is concentrated in the U.K. alongside a small chain of petrol stations in Sweden.

Wide range

Occidental's willingness to negotiate a joint plant must remain doubtful, however. The Government's approval of its plans is specifically limited to a plant of no more than 6m. tons-a-year and a revised project would presumably require a new round of planning inquiries and Government approval.

The company, which markets a wide range of products in the U.K. and sells petrol through a chain of about 800 Occidental and VIP sites, is anxious to get ahead as soon as possible.

Its other major European refinery is in Antwerp, and, with an ambitious programme of expansion in the market and exploration in the North Sea, a U.K. plant has strong advantages, especially in the South East of England. The Canvey Island project is expected to be completed some time in 1974.

Final approval for Occidental's application comes at a time of increasing concern over the effect of new refineries on the environment.

The Government has already refused projects by both Murco and Chevron for major plants on the Clyde Estuary and is now considering an application by the Total/Burmah groups for a £30m. refinery at Cliffe Marshes in Kent.

Meanwhile the major established refinery groups such as Shell, BP, Esso and Mobil, are all going ahead with substantial extensions to existing plants.

Critics of the Government's policy have argued that the present difficulty in getting approval for new plants prejudices new entrants to the market and could cause a shortage of capacity in the middle of the decade.

Reiss stresses social duty

INDUSTRIAL leaders must be conscious not only of efficiency and profit, but also of their social, national, and, sometimes, international responsibilities, Sir John Reiss, chairman of the Industrial Educational and Research Foundation, says in his annual report.

"But it is not sufficient for businessmen alone to understand the responsibilities of industry," he continues. "That knowledge must be shared with those people who take decisions about industry and also, and in the long run, those who are affected by industry's policies."

The foundation is doing important work in those areas

Atlantic air fares details being prepared

EXPERTS of the International Air Transport Association (IATA) met in Geneva yesterday to work out details of the basic agreement on transatlantic passenger air fares reached last week in Honolulu.

The highly technical and complex work, carried out mainly by computer, is expected to last a week. The 24 transatlantic carriers are expected to give their final approval on the fares at a meeting in Geneva on December 2.

Another IATA group is now meeting to establish a revised system of transatlantic cargo rates.

Agreement on cargo rates was delayed at IATA's freight rates conference in Singapore in May and June by Seaboard World Airlines of the U.S., an all-cargo airline that later left the IATA.

Another expert group will begin on November 30 working out passenger fares between Europe, the Middle East and Africa, while the rates for the extended routes to Asia and Australia will be discussed on December 6.

...orecast of 12,000 new ...obs in air transport

...Y ELSBETH GANGUIN

...E THAN 12,000 new jobs will ...eated in air transport during ...oming three years, forecast ...ames Lynch, director of the ...Transport and Travel Indus...raining Board, yesterday.

...Lynch told an ITB "study" ...rence at Eastbourne that ...in's air transport companies ...now employing some 78,000 ...e. By 1974 this number ...d grow to nearly 90,000.

...e independent airlines would ...ase their manpower by 30 ...cent., but the flying schools ...xpected to increase by only ...cent. The fastest rates of ...th would be among computer ...(51 per cent.) and cabin ...(48 per cent.), and the ...st rate was predicted for ...ng staff (5 per cent.) and ...categories of engineers.

...ntinuing

...ese forecasts, Mr. Lynch ...ed, were based on detailed ...ns from companies employ...about 90 per cent. of the ...ower in air transport in ...in.

Even looking ahead as far as the 1980s, the "enormous growth potential" would continue. Scheduled services, as predicted by ICAO, would grow by between 10.5 per cent. and 14.2 per cent. annually through to 1986.

Mr. Lynch also forecast that manpower in travel agent and tour organisations would increase by 20 per cent. over the next three years or so.

In the four years since the ITB was set up, numbers employed in air transport activities has risen by just over 16 per cent., and during the same period the wages and salaries bill has risen from £92m. to £150m. The average salary has gone up from £1,400 to £2,000.

Mr. Lynch urged that even during the present very real economic difficulties airlines have to face, action should be taken to accelerate, rather than retard, the development of a versatile workforce.

In cutting their costs, companies should bear in mind that "people are the most valuable resource they have got."

...orwich Union to raise ...remiums 15% on Jan. 1

...NANCIAL TIMES REPORTER

...WICH UNION Insurance ...p last night announced a ...er cent. increase in car in...nce premiums for its 500,000 ...y holders. The across-the-...l increase comes into effect ...nuary 1 next year.

...er insurance companies ...ikely to follow this upward ... as the rising cost of ...le repairs puts pressure on ...margins.

...e British Insurance Associa...which with more than 280 ...bers includes most of the ...nsurers, said all companies ...faced with inflation and adjustment of premiums was a continuous process.

For Norwich Union, the latest increase will be the third in 12 months. Insurance premiums on cars were raised about 20 per cent. on January 1 this year and by a further 10 per cent. on July 1.

A spokesman commented: "With inflation running at a rate in excess of 10 per cent., premiums just have to be raised."

Repair costs were rising all the time because of increased charges for labour and spare parts.

GENERAL APPOINTMENTS

FINANCIAL AND ACCOUNTANCY APPOINTMENTS APPEAR TODAY ON PAGE 16

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COMPANY NOTICES

THE CONSOLIDATED DIAMOND MINES OF SOUTH WEST AFRICA LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF PREFERRED SHARE WARRANTS TO BEARER
PAYMENT OF COUPON No. 73

With reference to the notice of declaration of dividend advertised in the Press on 18th November, 1971, the following information is published for the guidance of holders of share warrants to bearer.

The dividend of 3¾ per cent. was declared in South African currency. South African non-resident shareholders' tax at .25447 cents per share and South West African non-resident shareholders' tax at .25665 cents per share will be deducted from the dividend payable in respect of all share warrants coupons leaving a net dividend of 3.23888 cents per share. The dividend on bearer shares will be paid on or after 4th February 1972 against surrender of coupon No. 73 at the London Bearer Reception Office of Charter Consolidated Limited, 10/11, Austin Friars, London, EC2N 2EY. Persons lodging coupons at the London Bearer Reception Office prior to 24th January, 1972 will be paid the United Kingdom currency equivalent of the rand currency value of their dividends on 24th January, 1972. In the case of coupons lodged at the London Bearer Reception Office after 24th January, 1972 the dividend will, unless the depositor requests payment in rand to an address in the Republic of South Africa, be remitted to the London Bearer Reception Office through an authorised dealer in Johannesburg at the then prevailing rate of exchange and the U.K. currency proceeds arising therefrom will be paid to the depositor concerned.

Coupons must be left for at least four clear days for examination and may be presented any weekday (Saturday excepted) between the hours of 10 a.m. and 2 p.m.

United Kingdom income tax will be deducted from coupons presented for payment at the London Bearer Reception Office, unless such coupons are accompanied by Inland Revenue declarations. Where such deduction is made, the net amount of the dividend will be the United Kingdom currency equivalent of 2.29688 cents per share arrived at as under:—

	South African Currency Per Share
	cents
Amount of dividend declared	3.75
Less: South African non-resident shareholders' tax at 6.786%	.25447
	3.49553
South West African non-resident shareholders' tax at 6.844%	.25665
	3.23888
Less: U.K. income tax at 25.12% on the gross amount of the dividend of 3.75 cents	.94200
Net Amount	2.29688

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED
London Secretaries
E. Burrows.

London Office:
40, Holborn Viaduct, EC1P 1AJ.
24th November, 1971.

NOTE: The company has been requested by the Commissioners of Inland Revenue to state:—

Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African and South West African taxes applicable to the dividend are allowable as credits against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 25.12% instead of at the standard rate of 38.75% represents an allowance of credit at the rate of 13.63%.

ANGLO-TRANSVAAL INDUSTRIES LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF 7½% UNSECURED LOAN STOCK 1977/86
CLOSING OF REGISTERS

NOTICE IS HEREBY GIVEN that the Registers in respect of the abovementioned stock will be CLOSED from 18th December, 1971 to 31st December, 1971, both days inclusive, for the purpose of payment of interest for the period 1st July, 1971 to 31st December, 1971.

ANGLO-TRANSVAAL TRUSTEES LIMITED
London Secretaries.
Per: F. G. T. Jones.

London Office:
295, Regent Street,
London W1R 8ST.
Head Office:
Anglovaal House,
56, Main Street,
Johannesburg.
25th November, 1971.

DUNLOP HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books of the 3½% First Mortgage Debenture stock of the Company will be closed from the 18th to 31st December, 1971, both dates inclusive.

D. C. RISSIK Secretary.

Dunlop House,
Ryder Street,
St. James's,
London, S.W.1.
25th November, 1971.

Advertising and...
Marketing notes

TOWARDS A U.K. LIFE STYLE

IN January agency Leo Burnett-LPE is undertaking a rather unusual but very costly piece of market research. It is surveying 7,000 people about their Life Style. The idea comes from the parent Chicago office which has now run three surveys into the U.S. Life Style and come up with results which seem to have impressed both the Doubting Thomases in the agency and advertisers. Indeed market definitions for some products have been revolutionised, the advertising approach has been changed, and there have been some gratifying increases in sales of products.

Basically the research delves into the informants' activities interests, and opinions. They grade themselves to questions like "I'm too generous for my own good" and "I like danger." A profile can be drawn up of groups with similar attitudes and this could naturally influence the way that advertisers aim their sales pitch at them. For example there can be two approaches to selling insurance: you can emphasise the danger in not being insured or stress the fact that insurance is good common sense. The American research showed clearly which of these two attitudes was true for people who actually buy insurance, and the advertising could be tailored to it. However, Dr. Simon Broadbent, services director at Leo Burnett-LPE, was not prepared to give away this information free.

He did quote one tangible result from the U.S. Life Style. The agency handles Schlitz beer which had been advertised on a rather straight, middle class, proposition that "when out of Schlitz you are out of beer." The survey revealed that in the U.S. anyway heavy beer drinkers were hero worshippers who indulged in fantasies. So the ads. were made more fantastical and sales have shot ahead.

The British survey will cost over £20,000 and the results are being tabulated for the agency by Cybernetics Research Consultants. Leo Burnett-LPE clients will receive some of the information as a service but more detailed analyses will be charged for. And the agency intends to use the research as a new business proposition. It is putting in questions angled at certain products it would like to handle and when it has the findings next summer it will be knocking on the doors of some prospective clients.

A. T.

ANY MORE ZIPS!

"CONDUCTOR, don't think of this as a Zipfirelighter voucher, just regard it as 1p towards my fare" is the option in front of Midland Red bus travellers from now until March 31.

Probably the first of its kind by a British bus company, the scheme is being operated in conjunction with Reckitt and Colman's household division. The 1p vouchers are printed on 288,000 Zip packs and can be used against fares.

MR general manager Walter Womar says the scheme—first put forward by Yorkshire Publicity Services—is being treated as an experiment at this stage but if it is successful it could lead to similar projects on tours and express services. The conductors keep the vouchers with the £1 notes in their wallets and cash up in the normal way. Midland Red analyses them weekly and tell Reckitt how many have been redeemed—75 per cent. is expected—and Reckitt then makes a payment to the bus company.

The scheme is being advertised on the buses, in point-of-sale and in the local Press.

Pamela Judge

SHARP FALL IN AGENCY STAFF

THE annual IPA report on the state of advertising agencies provided few surprises. Net profit on income before tax fell from 11.2 per cent. in 1969 to 9.28 per cent. last year and it was good to hear the IPA director Jim O'Connor stressing these figures rather than the wildly misleading profits on turnover which suggest that agencies really are on the breadline. This year profits should be higher.

Perhaps more surprising was the drastic fall in numbers employed. IPA agencies (the vast bulk) shed 1,600 people in the year ending September 1 last and now only 15,600 workers produce British advertising. This is the sharpest-ever fall, only comparable to 1967. It does show how agencies are pushing up their turnover per employee. For large agencies it is now near the top New York level of the staff for each 1m. dollars in billings although the average is nearer twice that figure.

A.T.

Agency News

- Keith Nicklin, who resigned from Cavendish Nicklin last month, has formed his own agency—Nicklin Advertising—and is being joined by many of his former colleagues.

The new agency opens with £400,000 worth of business and accounts moving from Cavendish Nicklin include Batger-Needler confectionery, Lintafoam, Colt Houses, Brock's Fireworks, Rush and Tomkins and Seaboard International. Racal Electronics is switching its £120,000 account from Saward Baker to Nicklin and Price Furnishers and Swiss Musical Industries have appointed the agency.

- Truman's beers are now with Wasey-Quadrant and Harp Lager has been placed with Charles Barker from January 1.
- The retail division of Commercial Plastics (part of Unilever) has placed its Fablon adhesive vinyl and Mayfair wallcovering business with Taylor Advertising with effect from January 1. It is the second consumer account for the mainly industrial agency and the budget is around £100,000. As a result of the acquisition from McCann-Erickson Taylor will probably set up a consumer division.
- "Certain new products" of Berk Pharmaceuticals are to be handled by MCR Advertising on a fees basis.
- Austin Knight reports billings of over £5m. for 1971, a decline of "less than 10 per cent." on 1970 despite an average fall of 25 per cent. in the recruitment advertising market.
- The Welsh Rugby Union will make at least £110,000 over the next 5 years from poster advertising round the Cardiff ground. London and Provincial Poster group has won the contract and while canvassing for orders has not begun yet, here have been 7 enquiries. There are no plans "at the moment" for similar facilities at Twickenham or Murrayfield.
- In its search for a new agency Avon Tyre will see the last of presentations to-day. The company has not been spending for the last two years but is planning a £300,000 comeback and the pitchers are Brunning, French Gold, Abbott, Parsons, Hughes and Partners, Royds and Wells Rich Greene.

The Marketing Scene

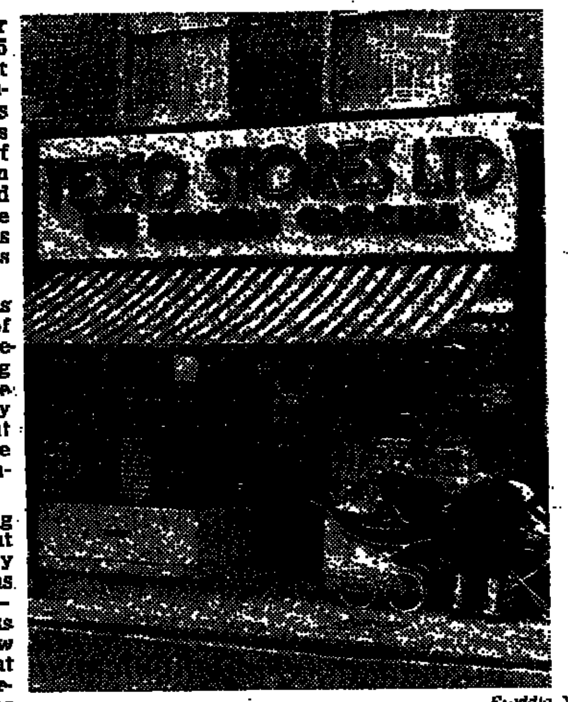
Tesco sheds its grocer image

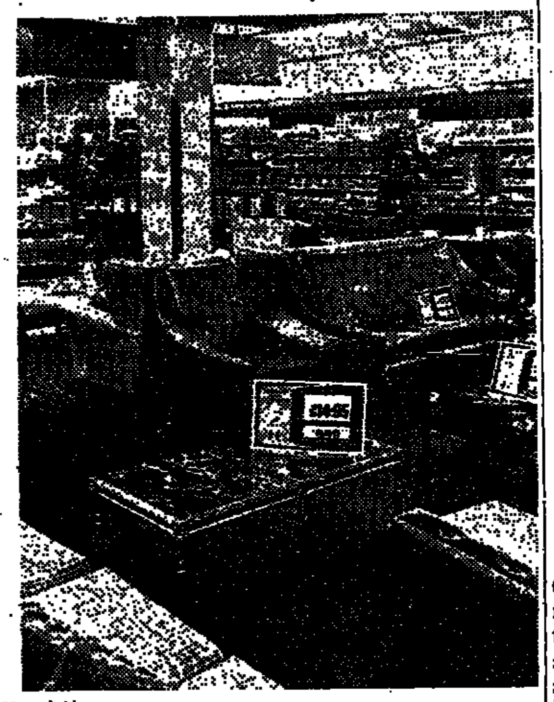
BY KELSEY van MUSSCHENBROEK

IS a tribute to Tesco's flair publicity that during 25 urs of headlong expansion it s established an almost un- zakable hold on the public's agination as the country's mber one cut-price grocer. If ch a reputation has often ven equally keenly priced mpetitors to distraction, there a nice irony in the way this acy now poses some problems Tesco itself.

The two stores shown on this ge are within a couple of les of each other yet they are vivid illustration of the long y Tesco has travelled since grocery days. The tiny ttersea store is something out Tesco's past. The massive w Wandsworth store is an im- rtant signpost for the future.

It is on two floors, covering ,000 square feet in all; but e crucial statistic is that nearly per cent. of this area has en given over to non-foods— om textiles to furniture. This ek Tesco opened another new re (14,000 square feet) at mford, Essex, in a new deve- pment which already includes arks and Spencer and British me Stores. Quite deliberately, e Romford store sells no oceries at all. A similar unit s opened at Chester (10,000 uare feet), while the eight her stores to be opened tween now and Christmas will include significant non-food "Home 'N' Wear" depart- ents.





Freddie Mansfield

road sense

Obviously, Tesco must now be scribed as a cut-price retailer, d in the broadest sense. For ample, the group claims to be lling 5m. pairs of shoes a year, d recently announced that it d sold 250,000 Swiss watches the first 60 trading days after eir introduction. Present timates are that this figure ould rise to around the 1m. ark in a full year.

Yet Mr. Hyman Kreitman, Tesco's chairman, is the first to admit that the company's grocery image lingers on, especially in the City. His response to this is to repeat his belief that "Tesco can and will sell almost anything the public wants"; to reaffirm his intention to move into 100,000 square feet hypermarkets in which as much as 70 per cent. of the sales area will be given over to non-foods, as soon as (hopefully) the planning authorities give them the go-ahead; and to draw one's attention yet again to his latest annual statement which openly alludes to the influence Tesco's Home 'N' Wear Division is having on overall margins.

Nevertheless, the company is still shy of revealing an accurate breakdown of its sales and profits between groceries and non-foods "for competitive reasons"; but until this does happen it is a fair bet that Tesco will find it difficult to bury its past image entirely.

What deputy chairman Leslie Porter—he heads up the Home 'N' Wear Division—does say is that within three years non-foods will probably be contributing more than half Tesco's profits. That in itself is a measure of the present significance of Tesco's Home 'N' Wear operations.

This week's openings bring their number up to 460, out of a total of around 800 stores—58 of these are entirely Home 'N' Wear. The group's non-foods' side also embraces nine "do-it-yourself" Decormarts (three of which are separate stores), 13 separate furniture units and another 14 in-store furniture departments. It is reckoned that by 1974-75 Tesco will have increased its Home 'N' Wear operations to 700, of which as many as 200 will be separate stores.

The non-food range has already been extended to 3,200 lines, including clothing, toys, lighting, hardware, electrical consumer durables and handbags (a recent addition). Over 500 of these product lines are sold under the group's house labels—Delamare and Tesco.

Another measure of the growth of Tesco's non-food business is the expansion that has taken place in the warehousing needed to back it—the stock-turn is now once every six weeks. In the autumn of 1969 the original depot at Harlow in Essex was doubled in size and together with another warehouse (ex-Victor Value) at Sandbach, Cheshire, was said to give the group "adequate distribution facilities."

Those two are already reaching capacity, so that Tesco is having to double it yet again. Early in 1973 5m. cubic feet of new warehouse is planned to become operational on a recently acquired 14-acre site at Milton Keynes: it will replace the two existing units. Moreover, the site is large enough to accommodate further expansion—the implication being that it will probably be needed.

In view of all this, it is no longer enough to see Tesco simply as a food chain progressively widening its non-food range whenever space in a supermarket becomes available. The group's Home 'N' Wear Division has acquired a momentum of its own, justifying new sites without reference to any grocery potential.

It is not difficult to see why this ever-profit motivated company is pressing the non-food accelerator. Over the past couple of years grocery sales have hardly been an exciting growth area, while suppliers have been adopting a tougher attitude towards the retail trade. Moreover, in groceries one is dealing mostly with a highly concentrated domestic industry. In non-foods the scope for aggressive bargaining with more fragmented foreign suppliers is significantly greater—and about 40 per cent. of Tesco's non-food merchandise is imported from sources as far apart as Portugal and Hong Kong.

For a group initially schooled in the merits of low margins and high utilisation of selling space, as well as the dangers of grocery pilferage, non-foods are a delightful prospect. Says Leslie Porter: "If you compare a conventional supermarket with a Home 'N' Wear unit, fitting out costs are less for Home 'N' Wear, in-store labour costs are about the same and so are rates—although where we go on to the first floor they are much less. Shrinkage (pilferage) is less, too."

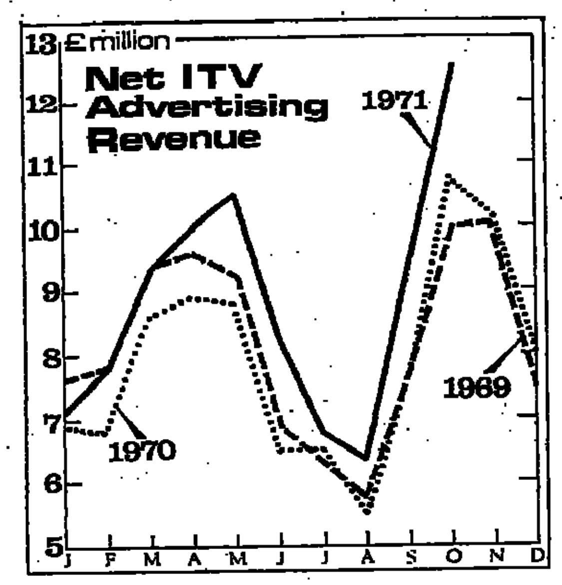
On top of this, whereas as much as 40 per cent. of a supermarket is normally given over to storage and preparation areas, in a Home 'N' Wear unit this non-trading area drops to 10 per cent of the total. The overall effect is that while Tesco aims to achieve a pre-tax margin of 6 per cent. on the food side, the figure for non-foods is about 14 per cent.—and that figure may well be conservative.

Last year Tesco's actual pre-tax margin was 5.32 per cent.—a small improvement on the previous year, but still well short of the 6 per cent. plus Tesco notched up in earlier years when the company was still strongly grocery-based. To-day Tesco is moving rapidly into areas where Woolworths, BHS and Marks are already entrenched, but it has yet to reach the 8-12 per cent. pre-tax margins they ring up. When this happens Tesco will indeed have kissed its past goodbye.

Problems ahead, but . . .

A record year for ITV

BY ANTONY THORNCROFT, MARKETING EDITOR



OCTOBER was another excellent month for the television contractors. Advertising revenue totalled £12.6m., 18 per cent. higher than a year earlier, and even if the November figure shows a less impressive rise, the 1971 total is certain to far exceed the previous record income of £98m. in 1968. And this in a year when the contractors gained an extra £10m. through the halving of the advertising levy. No wonder the companies have been turning in some impressive profit and forecast figures.

It is rather surprising, then, to be told by Ron Halstead, chairman of Beecham U.K., and president of ISBA, the advertisers pressure group, that "the TV companies are committing commercial suicide." The fact is that there is little love lost at the moment between the contractors and advertisers because the former are doing so well by charging the latter considerably more for their TV spots. While most TV advertisers are holding back price increases of their own products as a result of the CBI initiative they are finding their bills for television advertising risng by around 20 per cent. over last autumn. (The actual increase is impossible to generalise about because a clever buying department in an agency can get a much better deal than a novice and there are wide variations between regions.) For the moment at least the demand for television time far exceeds the limited supply.

Summer squeeze

This, say the ITV contractors, is the crux of the problem. The autumn is the peak advertising time: come the summer the boot may well be on the other foot and they will be squeezed by the advertisers. And, as George Cooper of Thames points out, the recent upsurge follows two hard years, on a running annual total the October income of £106m. is only 6 per cent. higher than the January, 1969, figure. More to the point the cost per thousand (which is after all the vital figure) is still well below the 1968 peak which did force advertisers to look at other media. This autumn ITV viewing figures have stabilised at a very reasonable level (56 per cent. of the total audience, according to JICTAR) and no major advertisers have yet threatened to withdraw from television. As John Beasley of Cadbury-Schweppes says "it would be silly to cut off our nose to spite our face." And TV is still for many the most cost effective medium.

One thing seems certain: the advertisers are reluctant to increase their budgets. They are making do with fewer spots, or cutting out the smaller regions, or as David Barnett of Brooke Bond Oxo says "saving at the production end by filming a commercial in the Isle of Wight rather than the Bahamas." There has been some increase in TV budgets but the higher expenditure comes mainly from new products and advertisers who have been tempted back to television by signs of an upturn in the economy.

Nevertheless, many advertisers are going to be shocked when they see what television cost them in October and the only consolation is that the worst is past. Cadbury-Schweppes, for example, even though it is second only to Unilever as a TV advertiser, found its costs in the London area up by 20 per cent., although the rise was less elsewhere. Conditions are likely to be easier for advertisers from now on, for some budgets have been exhausted and the grip of the contractors is always looser in December and January. There are even some agencies who wonder whether the scare about the difficulty in getting ads. on to TV might not have been overdone. "Give me £100,000 and I will easily spend it for you in a week," says George Pincus of Benton and Bowles and certain agencies like Masius Wynne Williams who devote the bulk of their clients' money to TV advertising almost certainly managed to negotiate attractive deals with the big contractors before the recent squeeze on time.

Indeed, when you examine the situation it is only a minority of TV regions which have done very well. Scotland, for example, showed a modest increase in October and the same goes for the other peripheral regions. It is Thames and LWE which have really cleaned up. Instead of taking around 28 per cent. of the total cake as is normal London captured well over 30 per cent. last month. Advertisers feel they must make an impact in the capital (where the top supermarket buyers are most active) even if it means accepting the Thames rate card with its substantial pre-empt costs. And the pull of London has not only upset the advertisers but also the other contractors who feel that the cash pouring in there does not do the ITV case much good for gaining control of ITV 2. "Advertisers feed that market like a one arm bandit machine," says another contractor ruefully.

Not that we are likely to hear much of ITV 2 in the immediate future. It seems that no decision will be taken until 1976 when both the BBC and ITA charters come up for renewal. Some cynics even feel that the whole ITV 2 publicity operation was a smokescreen to pave the way for the more immediately acceptable longer hours for the existing contractors. These seem sure to come next year although they are not so imminent as some enthusiasts might expect because of the intransigence of the BBC which maintains it cannot afford to compete with the additional time. When the extra hours arrive they should ease the demand situation and reduce the current tension. Leading advertisers are certainly keen on the idea.

The only thing which could exacerbate what should be a steadily improving situation is an attempt by the TV contractors to effectively increase their 1972 rates by adopting the Thames pre-empt system. For as William Ware of Spillers says "only 12 per cent. of the higher cost of time this autumn is due to straightforward rate increases: the rest follows from the contractors making us pay more to book time." Spilelrs however has looked at the alternatives and decided that it must stick with television advertising. At the same time it is trying to persuade the contractors that another sharp increase in advertising rates will only mean that the promotional budgets will make less impact and more markets will face the danger of being dominated by cut price promotions and own label brands, as is the case with soft drinks. If the TV companies belatedly follow the price restraint adopted by their advertisers the bad feeling of this autumn must melt in the spring.

But longer hours will not solve all the problems, as John Freeman of London Weekend pointed out this week to the Media Circle. It does not supply any extra peak time: only a second channel will do this. If, as seems likely, this does not arrive then by next autumn the ITV contractors may be under great pressure from advertisers for time for the signs are that advertising spending will continue to rise in 1972.

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THURSDAY NOVEMBER 25 1971

Acceptability is the test

IT WAS Sir Alec Douglas-Home who laid down the famous Five Principles on Rhodesia. The fact that a settlement has now been reached must mean—as indeed a British spokesman specifically stated in Salisbury yesterday—that in the view of the Government and of Sir Alec himself the terms agreed with Mr. Smith "are fully in accordance" with these principles. If this is so and if the settlement sticks there is every cause to welcome the ending of the six-year-old dispute. A judgment on this point will, however, not be possible until the details are known.

Sanctions

What is clear already is that in one sense the sanctions policy has worked after all. Sanctions did not succeed in bringing about a speedy solution, in reasserting Britain's ultimate authority over Rhodesia immediately after UDI. Equally, though, there can be no doubt that but for the continuing pressure of sanctions, Mr. Smith and his Cabinet would not have made the concessions which have made any sort of agreement possible.

Here, however, wider international implications come into play. The policy of sanctions was adopted by the United Nations because it was recognised that Britain alone had not the means to deal with the situation unaided. However much noise was made at the time, it was realised that no British Government could use force. In the absence of direct intervention there was no alternative but to try to deal with the problem through the application of international pressure. This, though it in no way diminished Britain's moral responsibility towards the whole of Rhodesia's population, did mean that in practical political terms the onus no longer rested on Britain alone.

In one sense Rhodesia had become a dead issue, even though capable of arousing strong emotions in both the main political parties in this country and in the UN. It became really live only when actual negotiations were being conducted between London and Salisbury. Now this situation has changed. By putting its signature to an agreement, the British Government has assumed a greater degree of responsibility than it formerly had in practice. If at some future stage there were to be a breach of the terms, the British Government will be in a much less defensible position than it would have been if Mr. Smith had simply continued on his present way.

There is only one way in which Britain's responsibility can now be lessened, and that is if the agreement passes the key test of acceptability by the Rhodesian population as a whole. What matters here is not only the result of any opinion test but to a much greater extent how that result has been achieved. Not only Rhodesians but also international opinion as a whole will have to be convinced that the test of Rhodesian African reaction is a genuine and a fair one.

Several stages

There are thus several stages which will have to be gone through before it is possible to speak in any meaningful way of a lasting settlement. By insisting on the five principles the British Government tried to do nothing less than to lay down the blueprint for a reasonable political development safeguarding the rights and interests of all Rhodesians of whatever race for many years ahead. This is never easy and particularly difficult when the issue of race is involved. No one will ever be able to guarantee success in an undertaking of this nature. But if the claim that the five principles have been upheld is justified and if the settlement is genuinely acceptable to Rhodesians of all races—and these are key provisos—the British Government will have done as much as could possibly be expected of it.

Market test for applied research

THE GOVERNMENT'S Green Paper on the future organisation of Government research has the same starting point as the one issued by its predecessor in January, 1970. Both are concerned at finding how Government research can be made more responsive to the demands of the market. But there the similarities cease. The mechanisms favoured in each Green Paper could hardly be more different.

Mr. Wedgwood Benn's idea—albeit for only part of Whitehall's total research effort—was to merge 11 research establishments and the National Research Development Corporation into one huge corporation which would then have the task of soliciting part of its budget directly from industry in the form of research contracts and joint ventures. That concept died with the 1970 election. In its place, Lord Rothschild's Central Policy Review Staff proposes in yesterday's Green Paper the establishment of a formal customer/contractor mechanism on a more decentralised basis.

Customer

The basic idea, which the Government endorses, is that it would be up to each customer department to decide whether an applied R & D programme is needed to achieve a specific objective and how much could be spent, out of its own departmental budget, upon such a programme. The work would then be carried out by a contractor who would be responsible for the efficiency of the department's research establishments. To underpin this customer/contractor relationship, Lord Rothschild suggests the adoption, as standard terminology, of the titles of Chief Scientist for the customer department's chief scientific adviser, and of Controller R & D for the chief executive of the R & D function.

These arrangements have a commonsense air. Since, moreover, the success of any re-organisation on these lines depends upon how far it is accompanied by changes in attitudes and thus upon how far it is supported by opinion in the scientific profession, the Government has been wise to publish Lord Rothschild's reasoning in full now so as to allow time for public discussion before the Government announces its own detailed conclusions next year.

Professional opinion, however, is likely to be anxious on at least two scores. One, perhaps, lies in Lord Rothschild's proposal that general research (that is, all basic or applied research done by a research establishment outside programmes specifically commissioned by a customer) should be financed by a general research surcharge of about 10 per cent. on applied R & D contracts. The figure of 10 per cent. has been chosen because that is the present average for all Government departments. Its allocation between projects and between research establishments would be at the discretion of the Controller R & D in each department.

Radical

Secondly, Lord Rothschild's logic leads him to suggest that the customer/contractor concept be adopted for all applied R & D undertaken by the Research Councils. In practice this would mean Whitehall departments other than the Department of Education and Science commissioning and financing about a quarter of the Research Council's work, while the DES would continue to finance the other three-quarters.

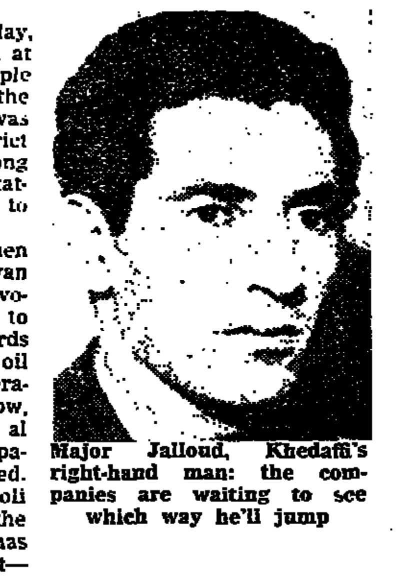
This would be a more radical change than the creation of yet another supervisory board as proposed by the Council for Scientific Policy, whose report also forms part of yesterday's Green Paper. But it is the change that the Government itself favours, partly no doubt on grounds of managerial efficiency since, as Lord Rothschild scathingly comments, the head office organisation of the Council for Scientific Policy and the Research Councils already has over 1,000 full-time staff, 128 permanent boards and committees, and a £4m. budget. The important question, though, is whether Lord Rothschild and the Government will carry scientific opinion with them in their more radical proposals.

Libya has said it intends to take a majority holding in the oil companies operating within its borders. But the companies have threatened to pull out altogether rather than give up control. Richard Johns, recently in Tripoli, assesses the likely scale, and timing, of the régime's demands

Waiting for the blow to fall

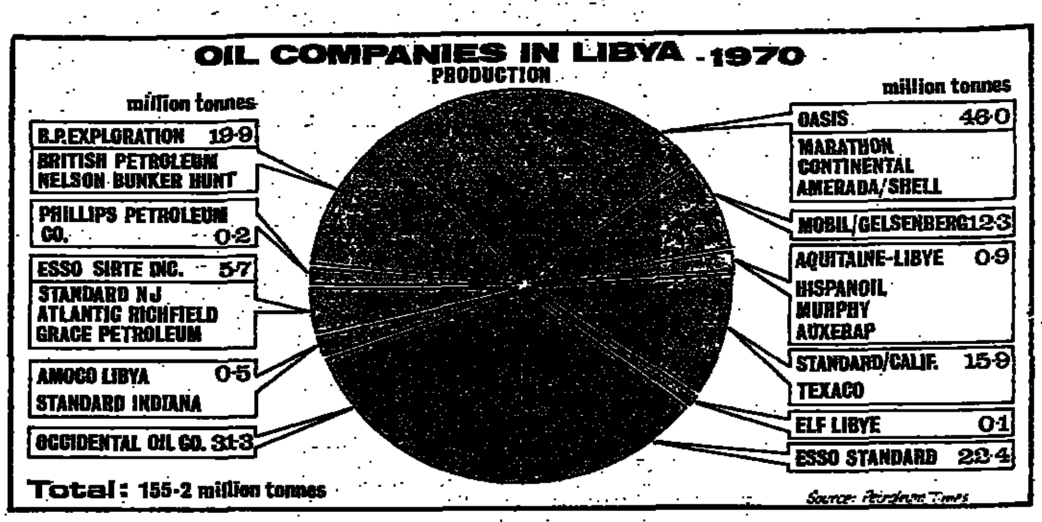
IN Tripoli last Thursday, when the cannon boomed at dusk to tell the townspeople that Ramadan was over, the relief on dour Libyan faces was perceptible. In such a strict Islamic country the month-long fast is a wearing and debilitating period, hardly conducive to action or decision.

For this reason alone oilmen and diplomats in the Libyan capital did not expect the Revolutionary Command Council to make its first move towards obtaining a stake in the oil companies' producing operations during Ramadan. Now, with the fast and feast of Id al Fitr over, the sense of anticipation will have been sharpened. However, discussions in Tripoli last week convinced me that the oil industry in the country has little idea of what to expect—or when—beyond the fact that Libya has set its heart on gaining a majority share as soon as possible.



Major Jalloud, Khedaffi's right-hand man: the companies are waiting to see which way he'll jump

Mr. Mabrouk, Libya Minister for oil: "If they want to show their muscles, they will be hit"



Scourge of the companies

"We'll just have to wait and see which way the Jalloud cat will jump," said one executive, referring to the formidable Major Abdesalam Jalloud, Colonel Muammer Khedaffi's right-hand man, who has already been the scourge of the oil companies in two successive rounds of negotiations in the late summer of 1970 and again in the spring of this year.

Originally, after the special session of the Organisation of Petroleum Exporting Countries (OPEC) on September 22, the message came loud and clear from Beirut that Libya would be the first of the member states to take an initiative, after disagreeing with the others over the extent of the minimum participation which should be sought and over the point, therefore, at which collective sanctions should be threatened.

While the other states had agreed that the objective should be a minimum 20 per cent. stake, Libya, fired by Algeria's example, had held out for majority participation. Soon, however, it became clear that the military régime in Tripoli was hesitating.

One theory in Tripoli is that Major Jalloud has been too preoccupied with other matters such as the Federation of Arab Republics which Egypt, Syria and Libya have formed. He is the practical brains of the 12-man Revolutionary Command Council and as Minister of the Economy and acting Minister of the Treasury he almost certainly does more than his fair share of the work. While Col. Khedaffi plots the "pan-Arabisation of the battle" against Israel, it is Jalloud who appears to be chiefly responsible for any matter involving hard facts and figures. It is suggested that he will not take action until his "In-tray is cleared."

More plausibly, Major Jalloud is waiting for the right moment. Libya may let the Gulf states make the running and then seek to trump them, as it did in April by obtaining a very much higher posted price (after all allowance had been made for geographical proximity and freight advantage) than the Gulf producers.

The concomitant has been that Libyan oil is over-priced and, with stocks in Europe high, there has been a steady drop in production this year. The current rate of about 2.5m. barrels a day is well below the ceiling, set by the Libyan Government in the name of conservation, of just over 3m. barrels a day. It compares with a production rate of 2.8m. a day in the second quarter of this year and 3m. a day in the first.

Conditions have hardly been ripe for Libya to press for agreement on majority participation, a fact that Major Jalloud must be as conscious of as the oil companies. There is little doubt that it is a prime consideration in Libyan thinking: Mr. Izzedin al Mabrouk, Minister of Oil, told me meaningfully that production was now picking up and the situation was changing with the onset of winter.

For their part, the companies have let it be known informally that they would prefer to pull out of Libya rather than cede control. Major Jalloud has a lot of calculation to do. Apart from gauging the genuineness of the companies' threat, he must decide how long Libya can afford to go without oil revenues and how long it would take it to manage the industry itself and sell oil in any quantities, bearing in mind the inevitability of an oil company embargo — which would be pursued much more relentlessly than the one against Algeria earlier this year, for instance.

Possibly, however, the biggest restraining factor has been the counsel for caution from Egypt. It is argued by some diplomats that Egypt would, at a particularly crucial stage, be very anxious to avoid the alienation of West European opinion which any precipitate action involving a disruption of oil supplies could cause, and may be exerting pressure on Tripoli. Cairo may also have pointed out that Egypt may well have to draw more heavily on its federal partners' resources. For Colonel Khedaffi, with his current campaign for "the nationalisation of the battle" along pan-Arab lines, such pleas could well cut some ice.

'Something very soon'

Nevertheless, according to Mr. Mabrouk, "something will be decided very soon." But he was enigmatic about exactly what. Echoing the OPEC resolution, he emphasised "effective" participation, not least in the Boardroom. He said: "We would want to sit down and discuss the fate of the companies' operations and share in the decisions about their development, the contracts which they conclude and the training which they provide." The actual amount of participation would be a "negotiable item." Even a majority share could be an "empty shell" if the terms were not right.

Mr. Mabrouk expressed confidence that Libya would obtain backing from other OPEC countries for its demands. To the suggestion that the undertaking given was limited, he said: "If so, we shall fall back on ourselves." He continued: "In Tehran we didn't limit ourselves to their demands—we got double. Our threats and plans proved effective without the support of the Gulf."

As it is, Libya has already taken unilateral action to seize from Esso the 3½ per cent. increase in revenues which the Government is claiming from all the oil companies to compensate for the de facto devaluation of the dollar. This "administrative procedure" is in contravention of existing agreements with the oil companies but in accordance with legislation passed last year by the Revolutionary Command Council. Whatever the legal rights and wrongs, the action is symptomatic of Libya's mood.

Last week Mr. Mabrouk took care to stress that the Government wanted the oil companies to remain because the country still needed them ("When we have learnt, we will not need them"). But if there was no agreement, the Minister warned: "we are very strong, every day we are growing stronger and stronger: we have good oil, our population is not dense; we have money."

Libya, unlike most of the OPEC States, can contemplate with some equanimity a breakdown in oil exports over a longish period. Following the settlement last year, the country's gold and foreign exchange reserves have soared to the point where, at the end of October, they amounted to 918m. Libyan dinars (about $2,700m. at the present rate of exchange), compared with 570m. dinars 12 months before. The reserves are giving cover seven times over to issued currency of 120m. dinars.

Imports last year amounted to 198m. dinars, 17 per cent. less than in 1969, reflecting the economic slowdown after Col. Khedaffi came to power. This year they will almost certainly recover their old level, perhaps rising to 250m. dinars with the revival of development spending. But even at this rate Libya would have the resources for three years' imports and more. Total Government spending for the current financial year, which began in April, has been set at 500m. dinars: 300m. dinars of this is the somewhat ambitious target for development, and probably only 60-70 per cent. of it will actually be spent.

A second, equally important factor, is the character of the régime, in particular, its fundamentalism and a manic sense of destiny. A feeling that Libya has been persecuted in the past has resulted in a determination to avenge all the humiliations suffered at the hands of "colonialism" and "imperialism." This has been a consistent streak in Libyan policy, evident in the vindictive manner in which the Italian community was expelled last year and its churches converted into mosques; the dogged attempts to obtain from Britain back-payments of rental for the now evacuated military facilities (King Idris waived the money in 1965 when oil revenue made it seem superfluous); and efforts to bribe Malta into evicting NATO-assigned forces which, incredibly, the Libyan leaders are said to see as a threat to themselves.

Adjunct of sovereignty

In the régime's mind, the oil companies are all part of the system of past exploitation and should be dealt with accordingly. "If they want to twist and show their muscles, they will be hit," says Mr. Mabrouk, illustrating the point with his fist. Like the Algerians, the Libyans see majority participation and control of their natural resources as a necessary adjunct of their sovereignty, but also as something more—a matter of self-respect and national assertion. Achieving participation will be a national victory.

A third factor must also be taken into account when appraising Libya's strategy for participation. This is the régime's absolute power.

On a mundane level, there has been grumbling that oil revenue has not been spread more quickly and widely, as in Kuwait. Some of Col. Khedaffi's speeches have implicitly acknowledged this sullen discontent, but they have also made it clear that the RCC knows what is best for Libyans.

Moreover, the other officers clearly need Col. Khedaffi, the only one who can cut a dash abroad and make a reasonable speech in public at home. In the opinion of informed observers, his so-called "resignation" in September was little more than a sulk brought about by over-work, nervous fatigue and frustration with his people's lack of revolutionary zeal. No one moved to take his position in the RCC.

It would be a mistake, therefore, to put any hopes of Libyan moderation in the possibility of Col. Khedaffi falling out with the other, shadowy, members of the RCC—who probably share his objectives anyway—and going off to the desert to contemplate.

It is more likely that the régime will be restrained by the arguments of its federal colleagues or by Major Jalloud deciding that Libya must temporarily forgo the triumph of majority participation for economic reasons.

But if the régime does now move into open conflict with the oil companies, and if a hard winter pushes up demand for oil in Europe, then we could be in for some supply problems despite the current high level of stocks.

MEN AND MATTERS

Hanson is as Hanson does

One of Mr. James Hanson's favourite descriptions of his way of running his business is "free-form management." What he means is letting the divisional managers get on with it, with profit targets and share-incentive schemes. It has to be pretty "free-form," because Hanson operates his Hanson Trust with a very small HQ, housed in a couple of Georgian houses knocked together in an out-of-the-way mews in Chelsea, with no company name-plate on the door (he also lives on the premises).

The question is whether Hanson's style of management could cope with a merger with the far larger (in sales and assets terms) Richard Costain group. For it is a fair assumption that Hanson would be chief executive of the new amalgam. Hanson says "my family has run its company relying on line management ever since my great-grandmother Mary Hanson began it in 1848 with pack-horses, and I don't see why it shouldn't continue to work."

Hanson is from Yorkshire, a man noted for sartorial elegance and a love of big cars and snazzy aeroplanes and helicopters. Like his father, he has been a Master of Foxhounds, and has enjoyed the reputation of a social playboy.

Hanson's father still heads the family business, in contract haulage and other transport, and Hanson himself is still a big shareholder in it, as well as in Trident Television. But Hanson took part of the family money to start up his own business. He made friends with Jim Slater (Slater later took a 16 per cent. holding in Hanson Trust) and in effect took over the Wiles group, turning it into the Hanson Trust, with interests in sacks, bricks, printing, car distribution, plant hire, and elsewhere.

Having acquired a "whizz-kid" image, Hanson saw his share price soar, sink, and recover, as people wondered what his conglomerate would end up as. Now, it seems, it may end up as substantially a property developer.

BIM redundancies

Tangible evidence that the conference market is getting tough is provided by the British Institute of Management, which has declared redundant three or four senior managers and 21 ancillary staff. Most of these are people concerned with conference arrangements. The problem seems to have been the decline in attendance at one-day seminars in particular.

The BIM has decided to phase out one-day courses altogether by next March, except for a few specialised topics. A BIM spokesman says that the downturn in demand for these courses was masked earlier in the year by the postal strike, but the BIM "soldiered on" until October, when the full force of the decline became apparent. A number of seminars had to be cancelled.

People close to the BIM say that these redundancies have caused a certain amount of ill-feeling. Some of those redundant had opposed one-day courses in the first place, and there was talk yesterday of getting up a petition to oppose the redundancies. There has in the past been a considerable turnover among senior staff at the BIM.

But what is not denied is the substantial fall-off in income from courses. One of the men involved says that it is down by 50 per cent.

Bank of Boston's rebuff

The First National Bank of Boston is very proud of its new offices just by St. Paul's tube station in London. The building, just completed, overlooks St. Paul's Cathedral, and is an unusual octagonal in shape. The Bank moved in, from Moorgate, in September.

The only problem is that between them and the tube station is, as all commuters who use the station can see, an ugly bomb-site, still more or less unreclaimed. Offended by this eyesore, the Bank asked London Transport, whose site it is, to allow the Bank, at its own expense, to cover over the site with planks, and put shrubs and potted plants on it. The Bank reckoned it would cost up to £1,000, but would be worth every penny.

London Transport has now refused, saying that the site is the subject of negotiation between it and the City Corporation. Meanwhile, the eyesore remains.

Lending Heath his Renoir

Window shopping for a Renoir at next Thursday's Sotheby's sale will be 75-year-old Mr. Nathan Cummings, founder and honorary chairman of Consolidated Foods Corporation, 67th largest company in the United States. He already has several Renoirs: one is currently on loan to Edward Heath. The Renoirs are part of his private art collection, generally acknowledged to be one of the finest in the United States.

Cummings is the son of a Lithuanian immigrant to Canada, and began work in his father's shoe shop. After selling shoes on the road for a few years, he bought a small biscuit company which he later sold to Garfield Weston. From then on, except for a few setbacks like when he tried selling white shoes to Canadians living in a muddy area, his empire has grown. Now Consolidated Foods has a turnover of $1,622m., with Sara Le Bakery, Fuller Brush, and Shasta Beverages among its 100 subsidiaries.

The main reason for his visit to London was the annual general meeting of the engineering company, Spark Holdings, which is run by his cousin, Mr. John Lawson. Recently, Cummings was made a director of Spark, "partly as recognition of friendship, and partly to build up contacts in America." Although Spark's results were described by the chairman as being "very gratifying in the circumstances," one division, Bonsoir Textiles, made a trading loss of £9,578. Both Lawson and Cummings agree this was a "dismal" result. "If I had been running the company," says Cummings, "several heads would have rolled."

Not just numbers

Traditionally, the workers do not like accountants. They axe jobs rather than create them. So was it just a coincidence that the TUC yesterday used the Central Hall, Westminster, as the HQ for its unemployment rally, right under the noses of budding accountants sitting the final examinations of the Institute of Chartered Accountants? Perhaps the TUC was trying to tell them something.

Observer

هكذا من الأحمل

German industry's game of brinkmanship

Ironically, the episode of the metal workers' strike offers a possible example of the soundness of German wage negotiating procedures. Honour, in the end, will be satisfied on both sides. **Malcolm Rutherford**, Bonn, Wednesday

HE first time since 1963 es are closed at Daimler- d all production stopped, of an official strike. , the pickets parade distributing leaflets in Turkish, Serbo-Croat lian. The union has its am of translators, but that it cannot cope with 25 languages which r-Benz workers are re- o speak between them.

all very orderly. So far ave been very few inci- nd, the company having ted its Christmas bonus fore the strike began. ave been few complaints lship from the strikers.

n strength

strike is not just confined mler-Benz, perhaps Ger- most prestigious com- A total of around 120,000 s are now involved, stop- roduction at such plants di-NSU, Robert Bosch, all Bearings and Brown , as well as a host of less well known. But hese are only the tip of berg.

number ultimately in- could be more than 4m., ost one-fifth of the total n labour force. It is still nlikely that it will come , yet the whole episode example of the potential h of the German unions.

union concerned is the workers' IG Metall, which anyone who works in y with metal. With over embers it is the largest in the Western world, even though less than half of the metal workers actually belong to it. For nearly two months now it has been seeking pay increases of between 9 and 11 per cent., so far without success.

Strung out

Yet the time it takes is not considered important; indeed, German trade union law insists that the bargaining process be strung out, in that at each stage there is a built-in cooling-off period. The objective, as practised in the past, has been to allow both sides to play an extended game of poker, driving each other to the brink of strikes and lock-outs in order to win the maximum concessions. But the unwritten and usually accepted corollary has been that the final settlement should be compatible with the German aims of high employment, price stability and economic growth.

In the past, it has worked—usually without the strikes. The differences to-day are that the economic aims are already endangered, and that the game of brinkmanship has gone on for so long that there may be a danger of miscalculation. If there is one thing on which economists—in and outside the Government—agree, it is that the level of wage settlements *must come down.*

Indeed this is normally considered the *sine qua non* for the avoidance of a recession; yet the Government refuses to intervene in the dispute, saying that the freedom of collective bargaining is an essential part *of the tradition on which West* Germany has based its economic success. According to the Government, it is up to the negotiating partners themselves to recognise the changed economic situation and act upon it. Any suggestions of wage or price control are dismissed as having been shown to be unworkable elsewhere.

"We're out on strike"—in seven different languages. Daimler-Benz workers in Stuttgart.

Thus the present strikes and negotiations are important for two reasons. The final settlement should have a considerable effect on the future of the economy, not least on the result of other wage negotiations coming up. And the outcome should show whether the system *of really free collective* bargaining is still workable in times of economic stress.

The game at the moment requires fairly strong nerves both to watch and to play. The *negotiations have been taking* place at a regional level and at varying speed in more than 20 *different parts of the country,* but they have moved fastest in the north of Baden-Wuerttemberg, where the strikes have already begun. In most areas the union put in its claim of between 9 and 11 per cent. (according to regional conditions) towards the end of August in respect of contracts due to expire on September 30. The claim was backed by an impressive array of statistics showing why the employers *could afford it.*

In the very first negotiations the employers refused to make any offer at all, till in Baden-Wuerttemberg they finally came up with 4.5 per cent. to run for *12 months*—an offer which was gradually repeated by employers all over the country. The *procedure is that both* sides negotiate until they both agree on a settlement, or decide there is no point in going further. In the latter case, they then call in a mediator who must be acceptable to both sides and whose job is to try to produce compromise proposals.

In Baden - Wuerttemberg, after long consultations, the mediator proposed 7 per cent., to run for only seven months, by which time, he said, the economic outlook would be clearer. This was accepted by the union, but rejected by the employers who stuck to their original 4.5 per cent. and called the proposals "wage floating." Even after the mediation has apparently broken down, however, both sides must wait six *working days before declaring* their final position. Only if there is still no agreement can the union go ahead and prepare for a strike.

Secret ballot

This procedure too is prolonged. The union must take a secret *ballot of its members* and it requires a 75 per cent. majority for strikes to be approved. As it turned out, *in* Baden-Wuerttemberg the majority was nearly 90 per cent. Yet again there is a pause: with the successful strike vote behind it the union believes it has shown its strength and expects the employers to return to the negotiating table with an improved offer. In the past—when the employers were more concerned about a halt in production than *the level of their wage bills*—this usually happened. In Baden-Wuerttemberg this time it didn't, and the only reason why the pattern has not yet been repeated elsewhere is that everyone has slowed down to watch the Baden-Wuerttemberg outcome.

The poker game continued. The union prepared strikes at the most vulnerable plants—where union membership was highest. On Monday about 50,000 men came out, mainly at Daimler-Benz and Audi-NSU. On Tuesday the number more than doubled and about 80 plants were affected. At the same time union leaders acknowledged that strikes were only an extension of negotiations by calling for a resumption of talks—though on the basis of the mediator's terms already rejected by the employers.

The employers still had cards of their own. On Tuesday they threatened a complete lock-out at all the metalworking plants in the area with a payroll of *more than 100, to begin at mid*night to-morrow. The lock-out would apply also to plants where there has been *no strike* action. The only terms on which the employers have said they will call it off are that the union simultaneously stops the strikes and agrees to new wage talks which would not be confined to the regional level and would include North Rhine Westphalia, the largest industrial concentration in Germany, where there are 1.2m. metal workers. The union has so far rejected outright any idea of linking the regional negotiations together, and rejected the idea again *to-day.*

That is how it stands now. The one real sign that the employers are prepared to give ground was a mediation procedure in the Hamburg region this week when they accepted a proposal of 6 per cent. to run 12 months. It was rejected by the union, but the employers were acknowledging for the first time that the settlement will probably have to be at least *equal to the current annual* 6 per cent. increase in the cost of living.

It looks *like* a head-on collision, and in a way it is. The lock-out may well go ahead, and *the strikes spread to other* areas. Yet it is a very reasonable bet that some time quite soon both sides will end the poker and agree on a settlement that both believe is compatible with economic growth and relatively high employment. The employers will believe it is a little too high and the union that it is a little too low, but in the end honour will have been satisfied on both sides.

Persuasion

If it all seems like reverting *to the good old negotiating prac*tice of splitting the difference and settling for 7 per cent., it is worth noting there have been no side issues. The union has simply thrown all its weight into *persuading the employers to pay* more than they originally offered, and the employers will *have simply have gone up to* what they can afford. The contracts will almost certainly be honoured. It is not a bad case for free collective bargaining, or for that matter for German labour legislation.

abour News

'oolroom peace fter £50m. lost

MICHAEL HAND, LABOUR CORRESPONDENT

COVENTRY, Nov. 24.

POTENTIALLY most ing strike in the engineer- lustry for many years was off here to-day by shop is representing more than killed toolroom workers ed by 80 companies in the

r 10 one-day a week strikes ree days after starting an official stoppage, local ering union leaders and stewards have accepted a ay agreement for the tool- workers.

the toolrooms manned from to-morrow there will progressive return by the car and engineering s laid off by companies as Chrysler, Massey- son, Jaguar and Auto- Products. It may take the middle of next week normal working is d in all local factories.

dispute is estimated to cost the employers more £50m.. Chrysler alone lost vehicle production a retail value of around Had the strike continued, d have crippled the motor ry and put 100,000 men out k.

cessions

settlement of the six s' row was negotiated a strenuous nine-hour n on Monday—instigated by obert Carr's Department of yment—between officials e Engineering Employers ation, the Coventry En- ing Employers Association he Amalgamated Union of eering Workers. The 's Coventry district commit- oted 32-2 last night to it, and at a mass meeting shop stewards to-day only pposed the new agreement.

Although the union lost its long battle to retain the Coventry toolroom agreement which had operated for 30 years, it wrung significant concessions from the employers on the present and future pay of the toolroom men.

The AUEW wanted to perpetuate the old and, say the employers, inflationary system of basing toolroom men's pay on the average received by the district's highly-paid pieceworkers on the production lines. This rate was calculated and published every month and quoted by union negotiators pursuing wage claims for many other sections of car and engineering workers.

When the employers stopped this system last August the rate stood at £40.60 a week. In order to secure a change to the normal method of management and shop stewards negotiating the pay of toolroom workers—thus relating it to the conditions prevailing in their particular factories—the employers have had to guarantee there will be a minimum toolroom rate of £42.36 by February. But there is no doubt that in plant bargaining the stewards will in many cases be able to push up earnings beyond this minimum level.

A joint employer-union review body is being set up to vet plant deals and to make sure that none *fall too far outside the general* pattern. The union wanted this safeguard to ensure that, in the *absence of a district rate, the pay* of less well-organised toolroom workers, particularly in the smaller companies, does not fall significantly behind the others. The union will in future calculate the district average itself

ort of London hit hard y strike and "demo"

ALEX HENDRY, LABOUR REPORTER

Port of London was practi- at a standstill yesterday se of the pay strike by the " union and the TUC nstration about unemploy-

e than two-thirds of the ips in the docks were not d, and fewer than 1,000 rs out of a labour force of in the enclosed docks ted for work.

"blue" union—the al Amalgamated Steve- and Dockers—called the y strike to protest against employers' refusal to se an *offer of an extra* a week.

or cause

ployers said last night that hought this was the major of disruption in the port. ugh the Transport and al Workers' Union has ted the *new deal, some of* ewards are supporting the action by the "blue"

NASD, the smaller of the unions, has threatened a of one-day strikes to try rce the employers to im- the pay offer. The em- rs are resisting this because have *settled with* the U, and to reopen negotia- with the NASD now would *create more* problems than it would solve.

However, the decision of some TGWU stewards to support the "blue" union by instructing their members to observe NASD picket lines could develop into an untidy situation. It is breaking the agreement signed by the union with the employers and, in a sense, challenging the union's decision to accept the pay deal.

More labour news on Page 28

BUILDERS ON 19-DAY TOUR OF FAR EAST

The National Federation of Building Trades Employers is organising a 19-day study tour next year to examine building projects and prospects in the Far East, including China and Thailand.

Particular attention will be paid to studying the financing of building work, contract conditions, low-density housing, the use of specialist subcontractors, aids to productivity, site organisation and technical matters. Visits to construction projects are also included in the itinerary.

Four days will be spent in each of the four main cities to be visited—Singapore, Hong Kong, Canton and Bangkok.

Downturn fears for chemicals confirmed by output report

BY JOHN TRAFFORD

MANY of the worst fears about the chemical industry are confirmed by figures published to-day by the Department of Trade and Industry.

Output has risen less than 0.5 per cent. during the 12 months ended in September, which is no better than manufacturing industry as a whole. *The return* of the chemical industry to the ranks of average industrial performers is all the more significant by comparison with the 1963-70 period. In those years chemical output grew annually by 6.7 per cent. on average and never *fell* below 5 per cent.

Normally fast growing sectors *such as organic chemicals and* synthetic rubber have put up the worst showing. Organic chemicals output fell 3.5 per cent. in the 12 months to end-June, 1971, mainly because of a weak performance by products not used *as plastics and rubber intermedi*ates.

Synthetic rubber, the sector whose past growth has outstripped all the others, dropped 25 per cent. during the same period, the sharpest fall anywhere in the chemical industry. The figures are partially cushioned by the fact that stocks were being built up in the first half of 1970 and run down in the first half *of* 1971 while demand grew at an annual rate of 6 per cent.

Production of inorganic chemicals, resins and plastics showed little change in the second quarter but pharmaceuticals, pesticides and photographic chemicals all advanced well.

Fuel costs up

While raw material and fuel costs rose on average by 9.5 per cent. in the year to end-*September, chemical companies* experienced some difficulty in keeping their prices rising at a corresponding rate.

The average rise of 8 per cent. in chemicals' selling prices disguises the fact that in some of the most important sectors prices were pinned down by serious over-capacity and rose very much less: plastics and resin prices went up by 3.4 per cent., synthetic detergents by 4.7 per cent. and organic chemicals by 6.1 per cent. Pesticides were the most sluggish of all with a price rise of only 2.0 per cent.

Imports by value rose only 4.5 per cent. between the third quarters of 1970 and 1971 while exports advanced strongly by 22 per cent. Plastics, which have been flooding in over the U.K.'s relatively low tariff wall, were the only sector to show a big rise in imports while dyestuffs, pigments, toilet preparations, pharmaceuticals and soaps *all* benefited from a better export showing.

In the second quarter of 1971, fixed investment at 1963 prices was £66m., £2m. below the first quarter's figure. For the half year the decline was only slight, from £136m. in 1970 to £134m. this year.

Sharp rise in war risk rates for East Pakistan cargoes

BY JAMES McDONALD, SHIPPING CORRESPONDENT

THE *War* Risks Rating Committee of the Institute of London Underwriters has raised drastically, from yesterday, war risk rates on cargoes to and from East Pakistan and to and from the *east coast of* India, north of Madras. Also, rates to and from West Pakistan, the west coast of India and east coast of India up to Madras, have been increased.

Normally the war risk rate, world-wide, is 0.05 per cent. (5p per £100) but recently the shipping risk rate for East Pakistan was raised to 0.25 per cent. (25p per £100). Now this has been raised to £1 per cent. Moreover, *this new high rate also applies* to cargoes to and from the east coast of India, north of Madras, where previously the rate was only 0.05 per cent.

In the western sector, the cargo risk rate for shipping has been raised *from* 0.05 per cent. to 0.25 per cent. (from 5p to 25p per £100 of cargo). This applies to West Pakistan, west coast of India and east coast of India up to and including Madras.

Mining of the approaches to ports in East Pakistan has caused serious difficulties and danger to vessels serving the ports.

As from yesterday, the War *Risks Rating Committee* (Air) also increased its rates for sendings to and from East Pakistan and to and from Calcutta. For East Pakistan, the "war only" rate has been raised from 0.05 per cent. *to* 0.25 per cent., for war and strike, riot and civil commotion risks, from 0.375 to 0.625 per cent., and for postal sendings, from 0.4125 to £1 per cent.

The Calcutta air rates, for war only, have been raised from 0.05 per cent. to 0.125 per cent., for war and strike, riot and civil commotion to 0.15 per cent., and for postal sendings, to *0.25 per cent.*

Saleroom

Four sconces fetch £15,500

A SALE of silver and gold at Christie's totalled *£242,395.*

How of Edinburgh paid £15,500 for a set of four sconces (151 ozs) by John Jackson, 1707: Tom Lumley £15,400 for a Charles II parcel gilt garniture comprising two jars and covers and two beakers (306 ozs) c.1675; and S. J. Phillips £13,000 for a 246-ounce silver-gilt charger by Louis *Mettayer, 1717.*

A private buyer paid £8,000 for a 103-ounce silver-gilt ewer and dish, Augsburg, *c.1720. Two two-*handled vase-shaped cups and covers (103 ozs and 83 ozs) by *Paul de* Lamerie went to Shrubsole for £7,600 and £7,000 respectively. An 11-ounce James I silver-gilt bell-salt, 1607, sold to Santo Silva for £6,000.

An 8-ounce American plain circular bleeding bowl by the American patriot Paul Revere *c.*1800 sold to S. J. Phillips for £2,100.

Horace Walpole's copy of his own *A Catalogue of the Royal and Noble Authors of England* sold at Christie's for £2,200, in *a sale* of printed books and playing cards which totalled £23,577. A collection of playing cards which belonged to the late *Capt. H. E. Rimington Wilson* fetched £4,531, including a pack of 40 silver cards for the Spanish game of Hombre, which sold to Chiesa for £720. A first edition of Izaak Walton's *The Compleat Angler* sold to Quaritch, and *The Holy Land, Syria, Idumea, Arabia, Egypt and Nubia* by David Roberts, to Franklin, each for £1,900.

At Sotheby's a sale of Old Master paintings realised £170,020. A pair of interiors by Franz Christoph Janneck went for £6,400 and a pair of Zuccarelli school Italian village scenes for £3,500, both lots to Baile. Ackermann paid £3,800 for a still life of flowers by Jean Baptiste Monnoyer and Dueits £3,400 for *A sportsman's still life* by Jan Syt *Ladies and Gentlemen at Confession* by Pietro Longhi went to Ralph and a mid-15th century Sienese school Madonna and Child to Baile, each for £3,200.

Sotheby's sale of Japanese colour prints, illustrated books and Japanese paintings realised £21,409. Hokusai's print of two cranes on a snow-laden pit went *to Lemp for £780, and Kruml* gave £680 for a head and shoulders of a girl drinking by Utamaro.

At Sotheby's, Belgravia, a sale of English furniture and works of art totalled £14,061. Gay Antiques bought a *gilt metal* and champleve enamel mantel clock signed Spalding and Co., Chicago, and Dombey a carved oak grandfather clock stamped A. Lam, each for £410. A satinwood display cabinet on stand went to Nyman for £355.

At Glendining's sale, which totalled £40,700, Fonda paid *£2,200 for a proof set of 15 Vic*toria 1839 coins. Walton £1,650 for a set of 11 George IV 1826 *coins, and Baldwin £1,550 for a* set of 14 William IV 1831 coins. A George III pattern £2, 1820, went to Howitt for £820.

At Phillip's £8,022 sale of ceramics, Monk paid £330 for a set of eight Ch'ien Lung "famille rose" plates.

Harmer's three-day stamp sale concluded with a total of £42,939, including £1,830 *for* the S. S. Miller collection of 1911 Coronation aerial post.

Bradwell No. 2 reactor safe

BY DAVID FISHLOCK, SCIENCE EDITOR

BRADWTLL'S No. 2 nuclear reactor is not, after all, unsafe, the Government has decided.

The chief inspector of nuclear installations has informed the Central Electricity Generating Board that this reactor can be returned to power.

The reactor was shut down abruptly on October 30 since when it has been costing the CEGB £11,000 a day in replacement generating costs.

The shut-down was requested *by the* Inspectorate of Nuclear Installations on the basis of measurements made during the summer of steel corrosion within the core of its twin, Bradwell No. 1 reactor.

More information

At the time, it appeared that the Inspectorate would require inspection of the suspected reactor—six months ahead of its next scheduled inspection.

The CEGB has supplied more information from its inspection last summer of No. 1 reactor, said the Department of Trade asit night, and further clarification of queries raised by the Inspectorate.

The Inspectorate is now convinced there is no danger that the upper bands of the steel "girdle" encircling the graphite core may have become slack, through corrosion of the bolts in this structure. Any slackness in this "girdle" could jeopardise emergency shut-down procedures.

COMPANY NEWS + COMMENT

Johnson Matthey first-half profit down

FIRST-HALF group pre-tax profit of The Johnson Matthey Group decreased to £2,065,151, compared with £3,700,623 for the corresponding period to September 30, 1970, struck after sharply increased debenture and other interest charges of £1,086,346, against £313,606. The new chairman, Lord Robens, makes it clear that last year's pattern of a fall in profits in the second half of the year is unlikely to be repeated *this year. The pre-tax* figure for the year to March 31, 1971, was £6,255,824.

An unchanged interim dividend of 3½ per cent. is declared. The 1970-71 total was 12½ per cent. The business is that of gold, silver and platinum refiners, etc.

	Six months 1971 £	1970 £
Invoiced sales*	82,901,000	96,900,000
Profit before tax†	2,065,151	3,700,623
Estimated tax	1,039,576	1,692,531
Net profit	1,026,575	2,008,092
Minority holders'	20,906	29,035
Interim dividends	601,414	601,414
Retained	404,255	1,377,623
Capital employed	46,411,631	49,262,295
Fixed assets	15,056,142	13,824,435
Investments	4,818,233	4,511,570
Net current assets	26,537,256	30,926,203

* Excluding Johnson Matthey Bankers. † After debenture and other interest of £1,086,346 (£313,606).

As at September 30, 1971, stocks would have been £380,000 *(£1,192,000) higher had basic* prices not been used.

See Lex

INDEX TO COMPANY HIGHLIGHTS

Wm. Cory half time setback

AFTER ALLOWING for a net deficit of £196,000 on Cory distribution services, net attributable profits of the Wm. Cory and Son group are sharply lower at £554,000, compared with £930,000, for the half-year ended September 30, 1971.

At the pre-tax level the first-half profit (excluding Cory distribution) came to £1,249,000, compared with £1,593,000, including share of associates profits of £875,000 (£805,000).

Figures for the comparative half-year have been adjusted to reflect changes adopted when accounts to March 31, 1971, were prepared.

The directors explain that the deficit on Cory distribution results from a greatly expanded service coming into operation in June.

As regards the group's other trading activities they report that a lower profit from the fuel division, mainly attributable to coal, and from coastal shipping, is largely responsible for fall in profits. The extent to which profits from those activities will recover in the second half—normally the most profitable—depends to a considerable degree on the nature of the winter and the general level of industrial activity, state the directors.

Cory distribution services' forecast deficit for the year, including development costs, will be about £600,000 after tax relief. Nevertheless, if current rate of growth continues, as expected, the directors hold to their original estimate that a break-even posi*tion will be achieved in 1973-74.*

Experience so far confirms that the plans for the business are along the right lines and when fully developed they feel that Cory Distribution will become a major group profit-earner.

To reduce disparity the interim dividend is raised 1½ per cent. to 5 per cent. A final of 10 per cent. is forecast to maintain the total at 15 per cent. The pre-tax profit for 1970-71 was £3.9m.

	Half-year 1971 £000	1970 £000
Group surplus	374	788
Associates share	875	805
Profit	1,249	1,593
Taxation	487	648
Minorities	12	15
Net balance	750	930
Cory dist. loss	196	—
Attributable	554	930

● comment

Wm. Cory's setback surprised the market and the shares fell 34p to 326p last night. However, the size of Distribution Services' loss was apparently roughly what Cory expected in view of this side's rapid expansion as it takes time for the new depots to reach profitability. In addition, an improvement by a wide spread of associate interests was insufficient to offset a decline in trading activities. Since the majority of profits is earned in the second half it is impossible to forecast the full-year of outcome. But taking Distribution's losses as forecast and assuming an unchanged second half by the rest of the group gives a prospective p/e of 17.7 (13 if the losses are excluded) and that looks high enough for the present.

First half profit fall by Maple

FROM increased sales of £6.3m. (£5.36m.) pre-tax profits of Maple and Co., were £170,000 in the 26 weeks to July 30, 1971, against £356,000 in the same period last year. For the year to January 29, 1971, pre-tax profit was £600,447 on sales of £12.02m.

Although the profit for the period is not up to the exceptional trading result achieved last year it is in line with the group's traditional trading pattern which is expected to continue for the full year, the directors say.

The interim dividend is held at 5 per cent.—previous total was 15 per cent.

	26 weeks 1971 £	1970 £
Turnover	6,300,000	5,535,000
Profit before tax	170,000	356,000
Tax	68,000	157,500
Net profit	102,000	198,500
Preference dividend	30,000	30,000
Interim div.	90,010	90,000

The operations of Furnishers and International have yielded a satisfactory result and profits from the provincial stores are amply justifying the policy of trading from smaller premises, says the Board. Manufacturing activities however have been difficult and as already announced steps have been taken to close the factory at Cheltenham.

There is every prospect that the redevelopment of the Tottenham Court Road premises will commence at an early date and a further announcement will be made in due course.

● comment

On the face of it Maple looks to have had a disastrous first-half with pre-tax profits down by 52 per cent. But when considering that the comparable period was boosted by an exceptional number of orders on the international side the shortfall is not so significant. Nevertheless, the Tottenham Court Road store has again had a bad period which together with a turnround to losses at the Cheltenham factory explains the drop from 6.4 per cent. to 2.7 per cent. in margins. Some improvement, however, is envisaged in the second six months, which after all is not surprising given the depressed state of the comparable period, and the leeway already lost could be recouped. But in view of the rather static trading position the shares on a p/e of 29 at 118 (down 10p yesterday) appear to be paying overmuch attention to the asset situation and in particular the Tottenham Court Road redevelopment possibility.

Tomkinsons raises dividend

PRE-TAX profits of carpet manufacturers Tomkinsons (Holdings) rose from £418,000 for 53 weeks to £595,000 in the year to October 2, 1971, and the dividend is lifted from 3.125p to 5p per 25p share.

At half-way, pre-tax profits had *risen to £241,000 (£151,000).*

Depreciation charged for the year was £144,000 (£123,000).

	1971 £000	53 wks. 1970 £000
Turnover	5,097	4,222
Trading profit	560	404
Investment income	46	25
Debenture interest	11	11
Profit before tax	595	418
Taxation	229	175
Attributable	366	243
Dividend	133	83
Retained	233	160

Meeting, Kidderminster, February 15 at noon.

● comment

After a 60 per cent. pre-tax jump at the half-way stage Tomkinsons 42 per cent. rise in annual pre-tax profits is roughly in line with market expectations and the shares rose 2p yesterday to 119p, against a 1971 low of 50p. The improvement in margins reflects increased concentration on cost control combined with the benefits of a recent productivity drive. Demand stayed at a reasonably high level throughout the year and the group's current order book is good. Given this and Tomkinsons' continuing expansion programme, the prospects for further growth in 1971-72 seem good. In view of this the shares on a p/e of 8.8 seem to have plenty of room for an upward re-rating.

2½% cut by Stag Line

GROUP TRADING balance of Stag Line amounted to £564,391 for the year to October 31, 1971. This compares with a forecast of between £530,000—£580,000, and with £710,095 achieved for the previous year.

The dividend is reduced from 15 to 12½ per cent. with a final of 7½ per cent. Last May the directors stated that it was intended to maintain the total provided the optimum trading profit was realised.

Pre-tax profit came out at £333,569 (£447,182) after depreciation £215,351 (£214,466), and tax equalisation account receives £120,000 (£40,000).

L. Holliday profits advance

PRE-TAX profits of L. B. Holliday and Co., aniline dye manufacturers, increased from £175,108 to £327,632 for the year to June 30, 1971.

The dividend on the £0.5m. privately held Ordinary capital of L. B. Holliday (Holdings) is doubled to 10 per cent.

After tax of £97,263 (£32,000) net profit was £230,369 against £143,108.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corre-sponding div. %	Total for year %	Total last year %
Attock Oil ......int.	6¾	—	6¾	—	16.875
Ault & Wiborg ......int.	4	April 2	4	—	10
Braids	12½	—	10	15	12½
Caledonian Assoc. Cinemas int.	5	Dec. 17	5	—	15
Cocksedge ......int.	5	Dec. 21	5	—	15
Wm. Cook (Sheffield) int.	7½	—	7½	—	15
Wm. Cory ...... int. (f)	5	Jan. 1	3½	—	15
Dover Engineering ....int.	10	Jan. 31	10	—	22
John Fokes Hefo ......int.	7½	Feb. 15	7	—	22
Frederick Cooper ...... int.	11½	Jan. 7	11½	—	28½
J. H. Fenner	10	—	9	19	18
L. B. Holliday	10	—	5	10	5
A.D. International ....int.	6½	Dec. 31	6½	—	18
Johnson Matthey ......int.	3½	—	3½	—	12½
London Prudential Trust int.	4½	Dec. 16	4	(e)—	10½
Man-Abell ......int.	4	Dec. 18	3	—	12
Mansfield Brewery ...int.	3	Dec. 7	3	—	16
Maple ...... int.	5	Jan. 7	5	—	15
New Broken Hill special †(g)	10 cts	Dec. 17	—	—	—
Powell Duffryn ......int.	5(c)	Jan. 25	3	—	13
Property & Reversionary int.	5	Dec. 18	3½	(d)—	15
Randalls Group ......int.	8	—	6	—	14
Rua Estates	17½	—	10	25	13
Stag Line	7½	Dec. 31	10	12½	15
Thomas Vale ......int.	5½	Dec. 16	*4.44	—	*14.22
Tomkinsons	†5p	—	3.13p	5p	3.13p

* Equivalent after allowing for scrip issue. † Amount per share

(a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) Not to indicate higher total. (d) Minimum 17 per cent. total forecast. (e) Total of 10¾ per cent. indicated. (f) To reduce disparity—maintained total forecast. (g) Under scheme of arrangement.

Camden profit expansion

MR. H. D. MICHAELS, chairman of The Camden Group, states that group pre-tax profit for the year ended September 30, 1971, will be not less than £230,000, compared with £183,781 for the previous year.

The increase has been achieved in spite of continued restrictions in the supply of new vehicles and the high cost of borrowing.

Both factors particularly affected the rental division. Despite this profit of the division increased by more than 50 per cent. and the directors are budgeting for a further increase in the current year.

The difference to the group on interest charges based on the rates payable to-day and those paid throughout the year would have shown a saving of approximately £25,000.

Hire purchase profits were also higher and the recent easing of controls is having a beneficial effect on current sales, which should be further improved by the prospect of better industrial relations in the motor industry, the chairman adds.

As intimated last May, it is intended to recommend, in due course, an increased final dividend of 12½ per cent. (absorbing £37,991) making 20 (16) per cent. for the year.

● comment

Camden Group has risen from 33p to 48p over the last month in anticipation of good 1970-71 results and the outcome did not disappoint. The rental division (over a half of total profits) has again been the frontrunner and a helpful factor seems to have been the firmness of used car prices. The car sales side, however, has turned in virtually unchanged profits though the comparatively small HP division did better—particularly towards the end of the year. Lower interest rates should make a lot of difference in the current year and, over the longer term, Camden is confident that it can hold its own against competition from the majors in contract hire. In any event the *market is still rating the group* at a discount to the sector on a p/e of 10½.

McKechnie's outlook

First quarter sales and profits of McKechnie Brothers are in line with the 1970-71 performance and the directors expect to "produce again a satisfactory report in 1971-72," says the new chairman, Mr. K. M. Leach. The company manufactures non-ferrous metals and chemicals.

As reported on October 29, group pre-tax profit for the year to July 31, 1971, was £5,905,129 (£6,238,477) and the dividend is effectively maintained at 16 per cent.

An analysis of attributable profit shows that U.K. produced 60 (62) per cent.: South Africa 32 (31) per cent.; and New Zealand 8 (7) per cent. The 1969-1970 figures were adjusted.

There is a £5,000 ex gratia payment to a former director.

Meeting, Liverpool, December 16, noon.

Chairman's Statement Page 25

Midway drop by Ault & Wiborg

REFLECTING reduced earnings on the ink division pre-tax profit of Ault and Wiborg fell from £495,496 to £365,977 in the half-year to September 30, 1971. Previous total was £881,532.

The interim dividend is held at 4 per cent.: total of 10 per cent. was paid for 1970-71.

Profit for the first-half is struck after interest of £90,360 (£100,644).

The division shortfall was mainly due to the state of the printing trade in general and partially due to closure of a particular activity in one of the company's large customers, the directors explain.

At present they say it is extremely difficult to forecast results of this division for the second half, but there appears to be signs of improvement and they are hopeful for better results than in the first half.

The group makes printers' rollers, paints and coatings.

● comment

Ault and Wiborg's first-half pre-tax profits have fallen 26 per cent. with margins narrowing. That is the result of the ink division being badly hit by the slack demand in the printing industry, the closure of the Mirror magazine and the after effects of the postal strike. Moreover, a £20,000 loss by an ink subsidiary (now out of the red) worsened the situation. The general trading pattern of the first six months—paints and resins continued to push ahead—appears likely to be repeated in the current half, unless there is some dramatic pick-up in demand from printing. Further price increases within the CBI 5 per cent. limit may improve group prospects. Meantime, earnings over the past reported 12 months (normally taxed) come out at 3.1p a share *to give a p/e of 13 at 41p—high* enough for the moment with the shares standing at more than twice their 1971 low.

ISSUE NEWS

Arthur Bell offer brings in £56½m.

Morgan Grenfell and Co. announces that in respect of its offer for sale of 2.3m. Ordinary 50p shares in Arthur Bell and Sons, 10,906 applications were received for a total of 43,360,300 shares. In addition 99 applications were received from employees on preferential forms for a total of 86,900 shares and these applications have been accepted in full.

In view of the heavy over-subscription applications from the public for up to and including 5,000 shares will go to ballot and applications successful in the ballot will be accepted on the following basis:

Applications	Accepted For
up to 1,000	100 shares
1,500 to 2,000	200 shares
2,500 to 5,000	300 shares

Applications for 5,500 shares and above have been accepted as follows:

Applications	Accepted For
5,500 to 7,500	500 shares
8,000 to 15,000	750 shares
20,000 and over	About 5% of amount applied for

Letters of acceptance will be posted by Saturday, and dealings will commence on Monday.

BAXTER/TRAVENOL

The 375,000 shares of Convertible Preferred stock (First series of $1 par value) in Baxter/Travenol International Capital Corporation have now been sold. The shares which are convertible into Common stock and are guaranteed by Baxter Laboratories were underwritten by a group headed by Merrill, Lynch, Pierce, Fenner and Smith, White, Weld and Co., Banque de Neuflize, Schlumberger, Mallet, Swiss Bank Corporation and S. G. Warburg and Co.

PENNINE MOTOR

Pennine Motor Group announces that in respect of the rights issue of 590,000 shares of 10p each at 17½p each applications were received for 572,204 shares and applications for additional shares totalled 259,775. Allocation to Ordinary holders is in full, and applicants for the additional shares will get a 6.85 per cent. allocation. Allotment letters and refund cheques will be posted to-morrow.

HONEYWELL CAPITAL

The $50m. 6 per cent. subordinated guaranteed convertible Debentures due 1986 in Honeywell Capital have now been sold. The debentures, which are guaranteed by the parent company were underwritten by a group which was headed by White, Weld and Co., Eastman Dillon, Union Securities and Co. and S. G. Warburg and Co.

TRINIDAD CANADIAN OILS

The directors of Trinidad Canadian Oils have decided that it would be appropriate to raise sterling part of the funds referred to in the recent circular to shareholders. This will give existing holders an opportunity to participate, possibly in a convertible loan stock issued by way of rights.

It is proposed to limit the Eurodollar financing accordingly and it is expected that any option relating to the Eurodollar loan will be in respect of no more than 500,000 shares.

The terms of these issues will depend on *market conditions* at the time.

TEX ABRASIVES FLOTATION

Ionian Bank announces that underwriting has now been completed in respect of an offer for sale of 37½ per cent. of the issued share capital of Tex Abrasives.

The company's business primarily consists of the manufacture and marketing of a wide range of industrial coated abrasive products sold mainly to the engineering and woodworking industries.

Full details of the offer for sale will be advertised on Monday, and application lists will open the following Thursday, 2nd December, 1971. Dealings are expected to start on Tuesday, December 7, 1971. Brokers to the offer are Rowe Swann and Co.

Nova Knit rights

Arrangements have now been completed with N. M. Rothschild and Sons for the underwriting of an issue of £1.63m. 7 per cent. convertible unsecured loan stock 1985 in Nova (Jersey) Knit at par. Shareholders will be offered the right to subscribe for £5 of stock for every nine Ordinary 20p shares.

Every £100 stock will be convertible into 36 ordinary shares in any of the years 1975 to 1984 (inclusive). This is equivalent to a conversion price of 277.8p per Ordinary share. Interest will be payable half yearly and the first payment will be made on March 31, 1972, amounting to £1.97 per cent.

Provisional allotment letters will be posted to shareholders on Monday, and dealings will start in nil paid form the following day.

BRITISH RAIL ENGINEERING

Orion Banking Group has completed arrangements for a $50m. seven-year credit facility for British Rail Engineering. The credit facility which is guaranteed by British Railways Board was provided by the National Westminster Bank Group, Orion Termbank, the Chase Manhattan Bank and Bank of America.

OFFICIAL QUOTATIONS

Permission to deal in and quotation for the undermentioned securities has been granted:—

Amey Group—After allotment, 1,036,000 New Ordinary shares of 25p each, fully paid

Associated Development Holdings—After allotment, 100,000 Ordinary shares of 25p each, fully paid.

Bell (Arthur) and Sons—After acceptance, 5m. Ordinary shares of 50p each, fully paid; 2.5m. New Ordinary shares of 50p each, fully paid.

Brooks Thomas Group—From November 25, 6,389,980 Ordinary shares of 20p each, fully paid.

Burco Dean—53,000 Ordinary shares of 25p each, fully paid.

Canadian Pacific—3,280,000 7¼ per cent. Cumulative Redeemable Preferred shares, Series "A" of $C.10 each, fully paid.

Hanson Trust—1,249 Ordinary shares of 25p each, fully paid (ranking for dividend from October 1).

Inchcape and Co.—3,500 Ordinary shares of £1 each, fully paid.

Lewis and Peat—After allotment, 5,000 "A" Non-Voting Ordinary shares of 25p each, fully paid.

Longton Transport (Holdings) — After acceptance, 1,679,220 Ordinary shares of 25p each, fully paid; 2m. New Ordinary shares of 25p each, fully paid.

Lonrho—1,614 Ordinary shares of 25p each, fully paid.

Provident Clothing and Supply Company—1,865 Ordinary shares of 25p each, fully paid.

Rotork—38,000 shares of 10p each, fully paid.

Smurfit (Jefferson) Group—After allotment, 50,000 Ordinary shares of 25p each fully paid.

Telefusion—1,250 "A" (Non-Voting) Ordinary shares of 25p each, fully paid.

Town and City Properties—After allotment, 1,825,510 Ordinary shares of 10p each, fully paid; 2,073,800 Ordinary shares of 10p each, fully paid (ranking for dividend from April 1, 1974).

Permission to deal in and quotation for the undermentioned securities has been granted:

Andover (Borough of)—£500,000 5¾ per cent. Bonds, November 29, 1972, fully paid.

Holyhead Urban District Council—£250,000 5¾ per cent. Bonds November 29, 1972, fully paid.

Ilkeston (Borough of)—£500,000 5¾ per cent. Bonds November 26, 1973, fully paid.

Inverness County Council—£500,000 5¾ *per cent. Bonds November 29, 1972, full* paid.

Inverness-shire Water Board—£500,000 5¾ per cent. Bonds November 29, 1972, fully paid.

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…DS AND DEALS

Possible £4m. Orme offer for Drury

…e Developments, the house-…g concern Mr. Bob Tanner …r. Tony Whitfield brought … market only 16 days ago. …ced yesterday it might … a bid worth £4.2m. for … Holdings, estate developers …at Leicester.

… compares with Orme's …t market capitalisation of … *£6.5m.—the shares rose 8p* … after the news last night, … them a 100 per cent. pre-… over the offer price of 70p. …ar Orme has acquired 31 …nt. of Drury from former …rs and their families at … *share and said discussions* …ing on "which may lead to …ger of the two companies." … night the Drury shares … 12p up at 92p.

…NDONESIAN …ANTATIONS

…lo-Indonesian Planatations …nces that compensation … for the transfer of its …r in Java to the Indonesian …*nment will be a cash pay-* …of $US3m., payable in three annual instalments; a grant …out 62,500 acres of land in …ra at no cost to Anglo-…esian; and formation of a …*ompany jointly owned with* …ndonesian Government to …e and develop four exist-…states in Java.

…*lo-Indonesian directors say* …recise value of the conces-… granted under the compen-… terms in addition to the …payment of $3m. is difficult …culate. However, they con-… that the four estates in Java …*improved significantly with* …e of modern techniques and …orth considerably more than …gure placed on them.

… first cash instalment re-… by way of compensation …e used for diversifying busi-…outside Indonesia, probably … U.K. The second and third …nents, however, are to be …*ed in Indonesia.*

…RRISON & SONS

…rison and Sons has decided …levelop some of its land at … which is at present utilised …ctory accommodation for …is group activities. This free-… land, together with other …occupied by the group at a … of £13.070 annually on an …ing site at Hayes, has been … to Sun Life Assurance …y.

… company will lease-back … lands comprising in all 6.01 … and will build a fully …ped factory. The lease will … 35 years at rent of £107,800 …*lly* with reviews every seven …

… Life has entered into a com-…*nt of £1,126,000 which will* …id up as follows—£275,000 …he purchase of land from …company; £275,000 for the …ase of adjoining land.

…er deducting the cost of the …ng works and professional … the balance will be paid to the company. *It is anticipated* that at the conclusion of this operation the amount available to the company (in addition to the £275,000 sale price) will be £300,000.

WM. HILL SHARES SLIDE: ANOTHER PURCHASE

Shares in William Hill fell a further 6p yesterday to 139p and *now stand at a small premium on* the proposed 135p-a-share offer from Sears Holdings.

The bid is being resisted by the Board but it is known that Sears can count on 29 per cent. from the late Mr. William Hill's trusts and *there have been reports* that the two Hill directors who support the bid, Mr. Jarvis Astaire and Mr. Sam Burns, can between them muster up another 20 per cent. of the Hill capital.

Meanwhile, Hill revealed yesterday it had agreed to make a purchase of its own—the acquisition of companies engaged in wrestling promotion mainly in the *Midlands* and North-West England for £165,000.

The companies to be bought—Wryton Promotions, Sports Match Makers, Bill Best (Wrestling Promotions) and Best Wryton *Promotions*—are a good geographic fit with Hill's Dale Martin wrestling promotion concern.

Of the consideration, £65,000 will be in cash and the rest satisfied by the issue of 106,383 Hill Ordinary taken at a price of 94p, being the market price on *October 8 when the terms were* settled.

SCOTTISH METROPOLITAN

Scottish Metropolitan Property Company has acquired or arranged to acquire subject to the *completion* of legal formalities, shop, office and industrial property investments in England and Scotland (all of heritable or freehold tenure) for £900,000 cash.

Scottish Metropolitan has made arrangements for the letting of *all the properties and all the ren*tals received under the leases give "a satisfactory yield." The directors consider that the value of the properties is at least equal to the purchase price.

The purchases, together with those announced *in September*, make a total of £2m. announced since the financial year ended *August* 15, 1971.

Negotiations are in hand for further acquisitions of commercial and industrial premises.

Meeting Page 17

REXMORE

Rexmore and North Eastern Timber have reached agreement for the purchase, *effective from* December 1, 1971, by Rexmore of I. Warshaw and Son, a subsidiary of NET. Warshaw has traded as a wholesale distributor of cabinet hardware and architectural ironmongery. Prior to the sale, NET transferred to a new trading subsidiary, *Warshaw (Building* Materials), the architectural ironmongery part of the business comprising net assets amounting to approximately £150,000.

Consideration for the purchase of Warshaw will be based on the audited accounts as at November 30, 1971. Total payable is estimated to amount to approximately *£420,000 based on the estimated* net tangible assets as at November 30 of £220,000 and goodwill of approximately £200,000.

Pre-tax profits of Warshaw amounted to £29,186 for 1970 and £32,838 for the six months to June *30, 1971, of* which latter amount it is estimated that 80 per cent. was attributable to the cabinet hardware side.

GRIMSHAWE BUYS INTO REFUGE

P. R. Grimshawe and Co. has acquired a total of 280,000 10p Ordinary shares in Refuge Securities at prices between 62p and 85p per share, from certain directors, their families and on the market, representing 11.2 per cent. of the capital of Refuge.

Refuge has appointed Grim*shawe to provide financial and* banking services to the company and will also invite Mr. Peter Grimshawe *to join* the Board.

CEYLON TIMBER-PELMADULLA

The Board of Ceylon Timber and Rubber Syndicate has been *notified by Pelmadulla Holdings* that its offer will be varied so as to include, in addition to the terms already published, an alternative all share option.

This wil be on the following basis: For every 15 shares of 10p *each of Ceylon Timber, one fully* paid share of £1 of Pelmadulla

The Board of Ceylon Timber considers that as there are now two competing bids, one for cash and the other which may now be taken entirely in equity, share*holders should take no action* until the offer documents for such offer are issued. These will be despatched to Ceylon Timber shareholders as soon as possible. When the offer documents have been issued, the Board will consider both offers and expect to make a further announcement to shareholders.

CNA INVESTMENTS

Discussions are taking place to *enable CNA Investments to* acquire all the shares of Glens (Proprietary) of Johnnesburg, a national distributor of electronic sound and video equipment and small domestic electric appliances.

An agreement *will shortly* be signed subject to suspensive conditions which both CNA and Glens believe will be met. A further announcement will then be made.

JONCRAIG

Joncraig Holdings has acquired the leases and main assets of a group of ladies' wear retail shops at present trading under the names Terela and Katy for a net consideration of *£81,000* cash which approximates to the net asset value.

These shops are situated in premier trading positions throughout London and the Home Counties.

NO PROBES

The proposed acquisition by Cavenham of Moores Stores and Wright's Biscuits, and the proposed merger of the milling, bak*ing and animal feed* interests of Spillers and J. W. French (milling and baking) will not be referred to the Monopolies Commission.

KLEINWORT BENSON

In a £278,500 cash deal, Kleinwort, Benson Lonsdale Group has acquired the cocoa division of Henry Gardner and Co., and on December 1 will purchase Gardner's produce broking subsidiary, Marshall, French and *Lucas. Gardner is a subsidiary of* Amalgamated Corporation, itself controlled by Consolidated Tin Smelters for which Ralli International has just made a bid.

Gardner's cocoa division, together with Kleinwort's own cocoa *business, will from December be* operated by Lonsdale's commodities subsidiary, Fendrake.

MACLEHOSE GROUP

The directors of Maclehose Group wish it to be known that, while they have received tentative *approaches with a merger in some form as a possible outcome,* they have not received any proposals.

Furthermore, they emphasise that *at this stage they do not* know whether any proposals will be made. Shareholders will be informed if any developments do take place.

LIVERPOOL GRAIN VALUED AT £1M.

Shares in Liverpool Grain *Storage and Transit,* warehouse owners, rose 55p to 180p last night after an announcement that Consolidated Commercial Company owns 41 per cent. of LGST and might make an offer for the rest. At this level LGST is valued at just over £1m.

In the discussions LGST is being advised by Keyser Ullmann and Consolidated by Slater Walker.

KINGSIDE'S £0.9M. FOR FLOREAT

Hambros Bank is proposing to make an offer on behalf of King*side Investment Company for the* shares in Floreat Investment, not already owned by Kingside. Terms are: For every 200 shares of Floreat, £117 nominal of 5½ per cent. convertible unsecured loan stock, 1984, of Kingside.

At the current market price of £100 per cent. for Kingside Loan stock, each Floreat Ordinary is valued at 58½p—compared with the estimated net asset value, before deduction of *contingent* capital gains liability, of 58p. Last night the *shares were unchanged* at 58p. At the offer *price* Floreat is capitalised at £936,000.

Kingside owns 306,883 Ordinary of Floreat, representing about 19.2 per cent. of the issued capital.

W. WOOD

Shareholders of W. Wood and Son will now have received an offer on behalf of Barrow Hepburn and Gale for the capital of Wood.

Directors of Wood strongly advise shareholders to ignore the documents received and in particular to take no action with regard to the proxy card. Detailed reasons for rejecting the offer will shortly be posted to share*holders*.

Shareholders are urged to vote in favour of the resolution to increase the share capital of Wood.

UTD. TRANSPORT

Documents in respect *of* the agreed bid by British Electric Traction for United Transport Company have now been *sent out.* The offer closes on December 17.

IN BRIEF

BRAIDS (shoelace makers)—Dividend 12½ per cent. (10 per cent.) making 15 per cent. (12½ per cent.) for year to September 30, 1971. Profit before tax £31,056 (£30,508). Net profit £15,993 (£14,315).

S. CASKET (HOLDINGS)—Clothing manufacturers, distributors and retailers—Results for year to June 30, 1971, with one-for-ten scrip reported October 21. Fixed assets £237,515 (£186,568). Net current assets £828,751 (£771,470). Meeting, Manchester, December 16 at 12.30 p.m.

WILLIAM COOK AND SONS (SHEFFIELD)—makers of steel castings—Interim 7½ per cent. (same—15 per cent. total) for year ending March 31, 1972. Profit before tax *for the half year* ended September 30, 1971, amounted to £70,055.

FOURTH CITY AND COMMERCIAL INVESTMENT TRUST—Results year to June 30, 1971, reported November 16. Quoted investments £13,359 (same) value £21,193 (£17,286) and unquoted £28,701 (same) directors' valuation £175,000 (same). Meeting, 1, Old Burlington, W.1, December 15, noon.

JESSUPS (HOLDINGS)—Vauxhall, Bed*ford and Opel main dealers*—Results, year to August 31, 1971, and observations on prospects reported November 12. Group fixed assets £944,944 (£576,610). Net current assets £254,231 (£265,693). Meeting, Winchester House, E.C., December 17, noon.

PALABORA MINING—Dividend No. 18, being third interim for 1971, of 15 cents per R1 share. Warrants will be posted on or about December 28.

SCOTTISH TEA AND LANDS OF CEYLON—Dividend 2½ per cent. already announced for 1970 will be paid on January 17.

THOMAS VALE AND SONS *(civil en*gineering and building contractors)—Interim dividend 3½ per cent. (equal to 4.44 per cent. and total equivalent 14.22 per cent.) for 1971. Trading profit for nine months ended September 30, 1971, from building, construction and sand and gravel extraction £115,500, investment income from, and profits on securities realised (£18,070) £29,480 leaving £147,980, less interest charges £15,700. Pre-tax profit £134,280. No comparative figures for the corresponding period in 1970. Group profit after interest charges and before tax was £125,509 for 1970. As already reported Lewston Developments intends to make an offer to acquire all the issued Ordinary share capital of Vale not already owned by Lewston and a detailed statement will be sent to Vale shareholders when the offer documents have been issued.

…RECENT ISSUES

EQUITIES

Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p	+ or −	Div. % or Amount	Times Covered	Gross Yield	P/E Ratio
F.P.	—	115	98	Alida Packaging (10p)	112	−3	b34	1.6	3.0	20.0
F.P.	—	[illegible]	300	Anglo-Am.Ind.Cp.(R1)	300	.....	t32½	[illegible]	6.1	11.[illegible]
F.P.	19/11	62½	54	Continuous Stat'y. 10p	58	.....	a27½	1.6	4.7	11.0
F.P.	10/12	88½	83	Crouch (Derek) (20p)	87	.....	b20	1.6	4.6	12.3
F.P.	24/11	132	125	Davies & Newman	126	.....	b30	1.6	6.0	10.1
F.P.	—	128	48	Ddee,Peth&LnSecs20p	115	+2	b7½	2.7	1.3	28.0
F.P.	3/11	13½	11½	EmpressServ.(B'gm)10p	13½	.....	w10	[illegible]	7.4	11.5
F.P.	—	97	85	Fidelity Radio (10p)	86	.....	b40	1.6	4.6	13.6
F.P.	10/12	68½	59	Ford (Martin) (10p)	65½	.....	b25	1.5	3.8	17.9
F.P.	—	109½	100½	HTV N/V	103	+1	a20	3.1	4.9	6.5
F.P.	—	32½	28½	Highl'nd Elect.Gp(20p)	31½	−1	a6	1.3	3.8	20.7
F.P.	—	155	118	Kelvin Watson (10p)	126	.....	b50	1.7	4.0	15.0
F.P.	2/12	54	40	Kent (M. P.) 10p	54	+1	[illegible]	1.6	5.2	12.0
F.P.	—	99½	93	Matthews (Bernard)	93	.....	J25	φ1.7	6.7	8.9
F.P.	28/10	90	85	McKaySecs.Cap.Shares	85	.....	—	—	—	—
F.P.	—	72	55	OilExpl'rat'n(Hlgs)10p	58	−3	b15	1.8	2.6	21.9
F.P.	7/1	130	84	Orme Devs. (20p)	130	+8	b20	1.9	3.1	19.4
F.P.	16/12	140	117	Pork Farms 10p	126½	−2½	b50	†1.6	4.0	15.7
F.P.	28/1	38	27	Sime Darby Warrants	33	.....	—	—	—	—
F.P.	2/11	105	99	Tigon Group(10p)	103	+1	ba35	2.0	3.4	15.2
F.P.	1/12	48	44	Vernons Fashions 10p	47½	−½	ba32	1.6	6.7	9.0
F.P.	—	27	22	Yule Catto (10p)	23	.....	b12½	1.3	5.4	14.5

FIXED INTEREST STOCKS

Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or −
£25	29/2	27¼	25	Allnatt London Props. 9¼% Deb. Stk 96-2001	27¼	.....
F.P.	—	101	100½	Barclays Bk. Int. 7¾% Cap. Notes '78	100½	−½
F.P.	—	104	100¾	Do. Do. 8¼% Cap. Bds. 1986	100⅝	−3¼
£30	26/1	32½	29	Birm. (City of) 8% Red. Stk. '79-81	31	.....
£50	19/1	62⅝	49¾	Bristol Corp. 7¾% Red. Stk. '79-81	£50⅝	+⅝
Nil	9/12	2½	¾	Brit. Inv. 7½% Conv. Db/1986	¾pm	.....
F.P.	17/9	117	98	Butterley 10% Part. Conv. 1976	117½	.....
£35	21/1	37[illegible]	35½	Cardiff Corp. 7¼% Red. Stk. 1977	37¼	+¼
Nil	26/11	16	0	Combined Eng. 9½% Part. Conv. '88-91	18pm	.....
£30	—	31	30½	Comley & Pitt 8½% 1st. Mort. Deb. '90-5	31	.....
£25	20/3	25⅝	24¾	Corp. of London 7½% Stk. 1971-81	25⅝	+¾
F.P.	—	82	76½	Dobson Pk. 8¼% Deb. '87-92	82	.....
F.P.	10/12	136	76	Dundee, Perth & Lon. 8% Conv. Uns. 1976	114p	.....
£70	7/4	71½	70¼	Fodens 9½% Deb Stk 97-2002	71½	.....
£10	—	10½	9	G.L.C. 7¾% 1981	10½	.....
£10	—	10¼	9¾	Grand Met. 8¼% Uns. Ln. '78-80	10	.....
F.P.	5/12	111½	103	Heenan Beddow 10% Prfy Conv. Uns. Ln. 1977	107½	.....
F.P.	—	101	97	Helsinki (City of) 8½% Bds. 1981-6	97	−1
F.P.	3/12	102½	96	Hemdale 9½% Conv. Uns. Ld. 91/96	102½	.....
F.P.	—	100	99½	Hill Samuel 8½% US$ Bds. 1986	99⅞	+⅞
F.P	—	104¾	101	Int. Bank 8% 1976	104¾	.....
F.P.	—	122	112½	Land Sec. 5% Conv. 1985	121	−1
£25	19/5	28½	27	Do. 9% 1st. Mort. Deb. 1996-2001	28½	+½
F.P.	1/12	111½	100	Lewis & Peat 8% Conv. Sub. Uns. '78-81	111½	.....
£25	24/3	29¾	26½	Lewis (J.) Prop. 9½% Mort. Deb. '92-7	29½	.....
nil	1/12	5¼	1¾	London Tst. 5% Conv. Uns. '85-7	4pm	.....
F.P.	—	99½	98¾	Met. Est. 5½% U.S. $ Ln. 1986	99¼	−¼
F.P.	24/3	106¼	104½	Mid-Sussex 8¼% Red. Pref. 1976	106	.....
£25	28/4	26	25½	Mitchell Constr. 9½% Deb. Stk. '93-96	26	+¼
£25	5/4	29¾	27¼	Morg. Crue. 9¼% Deb. '95-2000	29¾	.....
£10	10/12	22½	22½	Newcastle & Gates, 10% Red. Pref. '76	22½	.....
£60	15/12	62¾	60¾	Nottingham 8% Red. Stk. '79-80	62¼	+¼
F.P.	30/12	112¾	109¼	Pearson (S) 10½% Uns. Ln. 2001-6	112¾	.....
F.P.	—	97¾	97	Pekema Oy 8½% Guar. Bds. 1986	97	.....
£60	25/10	72	59	Prop. Inv. & Fin. 6% Conv. '91-96	67	.....
F.P.	—	101	100¼	Rank Org. 8½% U.S. $ Bds. 1986	100½	−¼
F.P.	—	100½	100	Shell Int. Fin. N/V 8% Ln. 1986	100	−¼
F.P.	28/1	102½	96	Sime Darby 10% Uns. Ln. 1973	102½	+¼
F.P.	1/11	109½	104	Smith Enterprises 8½% Conv. '85-90	109½	.....
£10	10/12	25½	25½	Tendring Hundred 10% Red. Pref. '76	25½	.....
F.P.	10/12	118⅛	107	Tower Assets 10% Prty Conv. 1976	110	.....
nil	—	1½	1	Warley 7¾% Red. Stk '79-80	1pm	.....
F.P.	10/12	108	101¾	Woking & District Water 8½% Deb. '94/96	101¾	.....

"RIGHTS" OFFERS

Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p**	+ or −
nil	—	Anglo-Am. Asphalt	3pm	.....
257p	12/4	Brn. Petroleum	300	−1
F.P.	1/12	Cable Trust	134	+1
nil	17/11	Cosalt Warrants	17pm	.....
nil	17/12	Dares Estates Pref.	3½pm	.....
nil	17/12	Deritron	1½pm	.....
33p	18/2	Group Investors Dfd.	21	.....
—	18/2	Do. Options	16	.....
F.P.	30/12	Leeds Assets Dfd.	80	.....
F.P.	30/12	Mixconcrete	129	+4
F.P.	23/12	Park Cake Bakeries	141½	+½
F.P.	9/12	Pennine Mtrs	33	.....
F.P.	10/12	Queens Mod. Hotels	15	+½
nil	—	Sterling Land	75pm	+5

…Renunciation date usually last day for dealing free of stamp duty. *a* Placing … to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or …ble on part of capital; cover based on dividend on full capital. *k* Figures …d on prospectus or other official estimate for 1969-70. p** Pence unless other… indicated. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a …hts." ♥ Issued by way of rights. † Rights by way of capitalisation. †† Tender …ment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger …take-over. ⁂ Provincial quotation. ♣ Introduction. ♠ Issued to former …erence holders. * Dealt in under Special Rule. § Price at time of suspension.

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MINING NEWS

Nchanga maintains copper sales

COPPER production at the Nchanga Consolidated group of Zambian mines was well maintained in the September quarter at 97,051 metric tons to make a six-month total of 196,665 tons. Sales in the past quarter were 103,381 tons, making 209,652 tons *for the half-year.*

In addition, Nchanga, which is 51 per cent. owned by the Zambian Government and 49 per cent. by Zambia Copper Investments, sold 21,988 tons of lead and 15,631 tons of zinc in the past three months.

In line with the world trend in copper prices, the company re*ceived* an average of K740 (£431) per ton during the September quarter. This compares with £445 at the other Zambian group, Roan Consolidated Mines, and it brings Nchanga's average for the six months to K770 (£449). The latter's *dividend* distribution for the half-year amounts to R17m. net compared with R51m. for the previous 15 months.

Palabora

Costs are relatively high at the Zambian mines, running at some £300 per ton in the case of the RCM group, and the fall in the metal price to around *£400* per ton is naturally causing some concern. In South Africa, however, the Rio Tinto-Zinc group's big Palabora operation has the advantage of lower costs—about £180 per ton of anode copper—although it also has to live with a lower ore grade.

The latter is now declaring a third interim of 15 cents (8.4p) for 1971. This makes a total to date of 45 cents compared with 65 cents at this time a year ago when the total reached 87½ cents. Palabora were 10p up at 285p yesterday.

NEW B. HILL

The Supreme Court *of Victoria* has approved the deal for merging the lead-zinc-silver interests of New Broken Hill with those of Conzinc Riotinto of Australia and the relevant scheme of arrangement is expected to become effective on November 26.

As a result, New Broken Hill has declared a *special dividend* of 10 cents, or 4.6481p which will be paid on December 17. As already announced, each share in New Broken Hill is *to* be exchanged for three shares in the new NBHC Holdings. Application has been made for a listing of the latter on the Australian and London Stock Exchanges. Trading in the shares is expected to start on November 29 *following the end of dealings* in New Broken Hill on November 26.

POSEIDON SAYS NO DELAY

It is reported from Sydney that Poseidon's director, Mr. Basil Lewis, *has denied suggestions that* the company's Mount Windarra nickel production plans could be deferred for two years to 1974.

The denial followed a comment by the Western Australian Minister for Development and *Decentralisation,* Mr. Herbert Graham, that he would be "disappointed, but not surprised" if Poseidon deferred production.

Mr. Lewis said the joint venture partners had only recently concluded that underground development work *must continue* at normal rates and that marketing arrangements should continue as planned. Poseidon were unchanged at 530p yesterday.

MINING BRIEFS

GOLD AND BASE METAL—October: long tons concentrates (73 per cent. grade): Tin 53 tons. Columbite 5 tons *Ten months to date: tin 473 tons, colum*bite 33 tons (same period 1970: tin 526 tons, columbite 38 tons).

MIM HOLDINGS—Following 10 per cent. cut in lead production announced on November 16, the company announces that effective November 22 mine production at Mount Isa has been reduced to a rate of 8,000 long tons of lead per four-week period. Zinc and silver output is reduced proportionately. The policy of selling silver at approximately the rate of mine production is to continue for the time being on the basis of the above reduced production.

HUDSON'S BAY

Hudson's Bay is to bid $6 cash *for each of the outstanding com*mon shares of A. J. Freiman of Ottawa. Holders of 70 per cent. off Freiman shares have agreed to accept.

Freiman operates three department stores and two discount *department* stores in Ottawa metropolitan area.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Short-time working hits German rubber industry

BY CHRISTOPHER LORENZ FRANKFURT, Nov. 24.

SHORT-TIME working has now set into the West German rubber industry, caused partly by the cooling economy and partly by the rapidly shifting structure of the tyre market. Two of the major manufacturers, Continental Gummi and Dunlop, have announced cuts in production that will put a total of 5,000 workers on short hours over the next five weeks.

Continental Gummi (Conti) is putting 2,200 employees at two tyre factories on short-time, giving them a complete break between Christmas and New Year. Only diagonal tyre output will be affected, and Conti reports that at the moment its radial tyre plants are working to full capacity—albeit threatened with a fall-off in orders if the metalworkers' strike goes on for long.

Dunlop's Hanau subsidiary will introduce less drastic measures, reducing the labour of 900 of its employees by four days over this and next month. This represents about 15 per cent. of the company's labour force, and concerns only tyre plants. Dunlop could not say to-day whether radials were affected or not, although it cites lower demand from commercial vehicle makers as the reason for its move.

The rest of the 5,000 workers affected are all in Conti's non-tyre sector, which accounts for about 36 per cent. of the company's total sales. About 750 employees will be badly affected, losing 17 working days in November and December put together, while the remaining 1,000 are awaiting details of the plans for them. The company has a total labour force of 26,000.

Conti says that developments in the non-tyre sector are largely a result of the cooling-off of the economy and the resulting drop in orders. On the tyre side, the move from diagonals to radials has accelerated.

Earlier in the year, Conti was forecasting that by the New Year radials would account for 50 per cent. of its car tyre sales. With the latest drop in orders for diagonals this could prove to be a conservative estimate, although some manufacturers also expect radial sales to fall short of forecasts following the surprise imposition of a 100 kph speed limit on cars fitted with winter "spike" tyres.

BROWN BOVERI

BROWN BOVERI, of Mannheim, the West German subsidiary of the Swiss Brown Boveri concern, reports that given "normal" conditions turnover is expected to rise by between 15 and 18 per cent. this year.

In view of the present metalworkers strike, which has severely hit the Mannheim area, and is presumably the deviation from "normal conditions," Brown Boveri is making no profit forecast, although it hinted in a statement that so far this year it has been able to offset rising costs by expanding sales, cutting overheads and increasing its own prices. In 1970, it made a net profit of DM21.7m. on sales of DM2,132m.

Hambros explains reasons behind Italian withdrawal

BY PETER TUMIATI ROME, Nov. 24.

THE representative in Italy of Hambros Bank, Mr. John MacCaffery, Jnr., to-day confirmed that the British merchant bank has sold its controlling shareholding in the financial company, La Centrale (as reported by the Financial Times this morning). A statement by Hambros Bank indicated that the motives for the decision were those outlined in the Financial Times.

Mr. MacCaffery said to-day that control of La Centrale had been acquired last July as a basis for further operations in Italy. However, unexpected opposition had been encountered and it was felt, therefore, that it would be better to withdraw than engender further conflicts.

The "unexpected opposition encountered" clearly referred to Hambros' take-over bid for the Bastogi financial group which failed last month. The failure is understood to have been due to official and unofficial opposition by the Government to the acquisition by a non-Italian group of a key role in Italian business.

There is considerable regret in Italian business circles about Hambros' withdrawal from Italy, not only because of the standing of Hambros itself, but also because of its implications. All attempts to establish closer links between Italian and other Western business groups which could contribute to halting Italy's drift towards more and more State ownership in one form or another are being hindered by the Italian authorities. This is not openly admitted to be a policy, but is clearly what is happening.

Another example is the sale of control of the Carlo Erba pharmaceutical company to Montedison earlier this month. A major American pharmaceutical company had been negotiating with Carlo Erba for several weeks, but pressure is said to have been exerted on Carlo Erba's largest shareholders to sell to Montedison instead of the Americans.

Ultimately, not only the Italian major shareholders of Carlo Erba, but also its only important American one, the American Home Products Corpn., sold to Montedison. American Home Products had about 17 per cent. of Carlo Erba's shares.

American Petrofina oil acquisition blocked

BY JUREK MARTIN NEW YORK, Nov. 24.

IN A surprise move, the U.S. Justice Department rejected a proposal by which American Petrofina would pay $150m. to Atlantic Richfield for the oil properties in the Rocky Mountain and mid-continent States that formerly belonged to Sinclair Oil.

The Justice Department refused to elaborate on its decision, which may be appealed by the parties involved. Spokesmen for both Atlantic Richfield and American Petrofina were similarly at a loss for explanations and would not say whether they planned to take the matter further.

The most plausible reasoning offered by oil industry sources here was that the Justice Department had found fault with the arrangement because it would give American Petrofina an overly large share of the market in the Rocky Mountain area.

The decision does represent a tough blow to Atlantic Richfield's attempts to divest itself of the properties that, under the terms of its consent decree with the Justice Department, it is obliged to sell. The Justice Department had challenged Arco's 1969 merger with Sinclair and had won an agreement compelling the oil company to dispose of a considerable number of marketing and refining properties.

Its petrol stations in the North-east and Southeast were, of course, sold to British Petroleum, providing BP with its first foothold in the American retail market. But the Western properties—consisting of 2,500 petrol stations, together with certain refining, production and pipeline interests—have presented far greater problems.

These appeared to have been resolved last month when Arco and American Petrofina signed a letter of intent covering the latter's acquisition at a cost of $150m. It was thought that, although American Petrofina, the subsidiary of Petrofina of Belgium, was active in the Rocky Mountain and mid-continent areas, its presence there was small enough to allay any doubts that the Justice Department might entertain concerning its share of the regional market.

C. F. BALLY

Feeling the pinch

BY NORRIS WILLATT

FOR GENERATIONS, C. F. Bally, of Zurich, has been renowned world-wide as a manufacturer of high quality, high fashion, high priced footwear. But in recent years, taste in shoes, especially among women, has been changing in favour of more casual, less expensive items. As a result, without in an way relaxing its efforts on behalf of traditional lines, Bally is diversifying, and, at the same time, reorganising its whole marketing strategy.

The full impact of the reorientation will begin to become apparent during 1972. The biggest change involves a decision to offer a range of lower-priced footwear through a new company, Ballina, under a trade name other than Bally. In the field of marketing, Bally is taking steps to strengthen its control over the wholesaling and retailing of Bally products in Switzerland and its principal export markets, Western Europe and North America.

Bally management has been influenced to make these radical changes by two challenging developments. One is the growing success of manufacturers of lower-priced foowear in such countries as Italy, Spain, Brazil and the Far East in penetrating its traditional markets—even in Switzerland itself.

This is illustrated by the fact that of a total of 26.6m. pairs of shoes sold in Switzerland in 1970, some 15.8m., or 60 per cent., were imported; moreover, the import share increased from 52.8 per cent. in 1969 to 60 per cent. last year. Swiss shoe production actually fell during the latest year, by over 12 per cent., to 13.15m. pairs. Bally's own production was down by 6 per cent., though, with the help of price increases, turnover rose by about the same margin, to Sw.Frs.525.6m. (about £52.5m.).

In export markets, lower-priced shoes have also increased their competitiveness with Bally's higher-priced footwear, notably in the U.S. market, which also suffered from recessionary tendencies last year. To meet the tougher competition, Bally has consolidated all company-owned stores in that country, which previously operated as individual units, into a single organisation, Bally Retail, Inc. The Swiss company has also launched a new retailing joint venture with the U.S. Melville Shoe Corporation, involving a chain of men's shoe stores.

As a matter of fact, even before the adverse developments of the recent past, Bally had been taking a wholly new look at its marketing approach. While it has a well-defined image as a retailer of high-grade footwear in North America and Western Europe, traditionally it has been strongly production-orientated.

In an effort to get nearer to the customer, for the past two years the company has been working closely with Dr. Ernest Dichter's Institute for Motivational Research, in the U.S., and has also drawn extensively on the model, a classic, which Dr. Bernt Spiegel so successfully exploited in marketing the BMW car.

From these exercises, and its own market research, Bally has developed a new marketing model to serve its own interests, the implementation of which has been entrusted to a new division, Bally International, established in 1969, to co-ordinate all the marketing activities of the group. As its first project, the new Ballina line of lower-priced shoes will be introduced during 1972.

Bally officials in Zurich indicate that these will sell in the price range up to Sw.Frs.50 per pair (about £5), compared with prices for standard Bally footwear which start at about that level. Bally will have these shoes fabricated, in large part, in Spain and South American and Far Eastern countries to its own closely controlled specifications. In short, the Swiss company has decided to join, rather than try to beat, competition.

The other principal outcon[e of] the intensive market res[earch] project has been a programm[e to] accentuate control at the poi[nt of] sale. This change of strateg[y will] be most marked in such coun[tries] as France and the U.S. In Fr[ance,] where some operations have [been] showing a loss, all produ[ction,] wholesaling and retailing is [now] directed by a single e[ntity,] Chaussures Bally France.

In the U.S., where the r[ecent] past has been rather a dif[ficult] period, the "recession" [has] resulted not only in stagnatic[n of] the wholesale business, but a [serious] setback to retailing, as a resu[lt of] which Bally last year closed [two] two of its three stores in [San] Francisco. True, four [new] stores have now been opene[d,] two in New York, and one in Beverly Hills, California, [and] Houston, Texas. But, becaus[e of] costs involved in these t[rans]actions, Bally Retail Inc., init[ially] has been operating at a loss.

With all its stores in the [U.S.] now under single managen[ment] the company expects result[s to] improve. Moreover, in add[ition] to its own outlets, Bally sh[oes] will be selling its traditional, [high-] grade footwear in partne[rship] with Melville Shoe, one of [the] largest retailers of shoes in [the] U.S., but so far only in the lo[wer-] priced range. The ten new st[ores] in the main cities of the U.S. [will] concentrate on men's footw[ear] which has always been Ba[lly's] strong line in the American [mar]ket.

Melville already is a custo[mer] of Bally's wholesale operation[s;] their combined operation[s as] retailers will give added expo[sure] to the Swiss group's high g[rade] products. According to [Bally] officials: "Bally is contribu[ting] the shoes and Melville the [man]agement. They have an enorm[ous] know-how in retailing, and th[ey will] be a wonderful partner."

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer
Straight		
Atlas Copco 9½pc 1985	104	105
ASEA 8½pc 1986	97½	98½
Beecham 8½pc 1986	99½	100½
Borregaard 8¾pc 1986	99½	100½
Conoco 8pc 1986	98½	99½
Conoco 9½pc 1985	105½	106½
Courtaulds 9½pc 1985	104	105
Denmark 9pc 1982	105½	106½
Esso 8pc 1986	99½	100½
Esso 9pc 1985	106	107
General Mills 8pc 1986	98½	99½
GUS 8½pc 1986	99½	100½
Hambros 9½pc 1985	105	106
Hamersley 9½pc 1985	102	103
ICI 8½pc 1987	99½	100½
Ireland 8½pc 1986	93½	94½
ISEC 9pc 1985	104½	105½
Massey Ferguson 9pc 1982	102	103
Monsanto 9½pc 1985	104½	105½
Mt. Bk. Finland 8½pc 1986	96	97
Occidental 8½pc 1982	97½	98½

	Bid	Offer
Oslo 8½pc 1986	98½	99½
Olivetti 9½pc 1985	103½	104½
Ontario Hydro 8½pc 1986	99½	100½
Philips 8½pc 1976	95	96½
Quebec Hydro 8½pc 1986	98½	99½
Transocean Gulf 8pc 1986	98½	99½
Notes		
Cabot 8½pc 1975	103½	104½
Ericsson 8½pc 1975	105	106
Esso 7½pc 1978	100	101
Esso 8½pc 1975	104½	105½
Gatx Oswego 8½pc 1977	100½	101½
Hawker 9pc 1975	102½	103½
Nippon Petr. 7½pc 1973	99	100
Oslo 9pc 1975	105	106½
Transocean Gulf 8½pc 1975	104	105
Source: White Weld Securities.		
Convertibles		
American Can 4½pc 1988	77½	79½
American Brands 5½pc 1988	104½	106
Amoco 5½pc 1984	97½	98½
Beatrice 7½pc 1990	118	119

	Bid	Offer
Borden 6½pc 1991	104	[illegible]
Chrysler 5pc 1988	73	[illegible]
Continental Tel. 5½pc 1988	96	[illegible]
Cummins 6½pc 1986	99½	[illegible]
Eastman Kodak 4½pc 1988	99½	[illegible]
Equity Funding 5½pc 1989	81	[illegible]
Firestone 5pc 1988	96½	[illegible]
Ford 6pc 1986	103	[illegible]
Fuji Photo Film 6½pc 1985	129	[illegible]
Honeywell 5pc 1988	108½	[illegible]
Kinney 6½pc 1990	102	[illegible]
Komatsu 6½pc 1984	96	[illegible]
Michelin 6pc 1985	99½	[illegible]
Murphy 5pc 1989	74½	[illegible]
Owens Illinois 5pc 1977	92	[illegible]
Pepsico 4½pc 1981	128½	[illegible]
Revlon 4½pc 1983	97	[illegible]
RCA 5pc 1988	91½	[illegible]
Texaco 4½pc 1988	82½	[illegible]
20th Century Fox 5pc 1987	[illegible]	[illegible]
Union Carbide 4½pc 1982	[illegible]	[illegible]
Source: Kidder, Peabody		

IN BRIEF

Europe

● TIMEX, the U.S. watch manufacturers and the biggest competitor of the Swiss watchmaking industry, is to set up a European administrative office in Lausanne, incorporated as a Swiss company, TMX. The move was approved by Federal and Cantonal authorities as well as the Swiss Watchmaking Federation. The group, with factories in the U.K., France and Germany, besides the U.S., produces around 25m. watches annually.

● SAINT GOBAIN PONT A MOUSSON said the company is planning to reduce activity at the Pisa plant of its Italian subsidiary Fabbrica Pisana as part of an overall reorganisation of its Italian operation. The 1,800-man workforce at the Pisa plant, which produces plate glass, will be cut by 450, the company said, but early retirement will mean that only some 200 employees will be declared redundant. Cutback will be implemented through 1972 and 1973.

● RIO TINTO PATINO, Spanish copper mining and smelting company, signed know-how agreement with Nippon Mining for electrolytic refining process to be used in RTP's plant at Huelva, southwest Spain. Based on new discoveries of copper ore, RTP is currently expanding its annual smelting and refining capacity to 20,000 tons of copper metal.

● TECNAVAL, subsidiary of Spanish Tecniberia engineering enterprises, been commissioned by Lybian National Oil Company (NOC) to carry out feasibility study for organisation of tanker fleet. NOC wants to initiate operations with secondhand tankers for coastal service and later purchase—probably in Spain—several new ships for overseas service.

● ABEX INTERNATIONAL, of Geneva, subsidiary of Illinois Central Industries affiliate, Abex Corporation, of New York, together with Swiss interests, formed holding company to take over Societa Italiana per l'Amianto and Fren-Do. L'Amianto concern is Italy's oldest manufacturer of asbestos products and Fren-Do is country's leading producer of brake linings and clutches.

North America

● KAISER INDUSTRIES reported earnings before extraordinary items for the first nine months of 1971 of $9.1m., or 30 cents per share of Common stock, compared with net earnings of $11.55m., or 39 cents per share, in same period a year ago. After extraordinary items, net earnings in the 1971 nine months were $7.24m., or 23 cents per share. Extraordinary items, both recorded in third quarter, 1971, were loss of $2.86m. representing Kaiser Industries' equity share of a non-recurring book loss of Kaiser Aluminum and Chemical Corporation upon termination of its interest in a mining project in Peru and a gain of $990,000 representing Kaiser Industries' equity share of an extraordinary Federal income-tax credit of American Motors Corporation.

● GASPE COPPER MINES, subsidiary of Noranda Mines, of Toronto, will spend an additional $10m. in its expansion programme at Murdochville, Quebec, to increase the size of a proposed acid plant to 955 tons a day from 400. Total cost now will be $108m.

● INDAL CANADA, subsidiary of Pillar Holdings, of the U.K., had profit of $C761,682, or 72 cents a share, for nine months ended September 30, against $C180,582 (10.8 cents) a year earlier. Sales $C26.75m. ($C19.5m.).

Others

● NATIONAL BANK OF AUSTRALASIA intends to make bonus issue in ratio of one share for each five shares held at February 1, 1972. Bank also plans to make "rights" issue on one-for-five basis at premium of 50 cents. Intention to pay dividends on capital as increased by bonus and new share issues at rate of 10 per cent. per annum.

● ORONZIO DE NORA-IMPIANTI ELETTROCHIMICI will establish two subsidiary companies in Sao Paulo, with investment of around $4m. each. First, which will be called Permeric, will manufacture electrodes for sale in Brazil and Latin America. Second will manufacture chlorine for national consumption.

● ALLIANCE TIRE AND RUBBER of Hedera, a joint Israeli-American company and Israel's largest producer and exporter of tyres, reports rise of 60 per cent. in net profit in first half of this year to £777,000.

COMPANY NEWS

J. H. Fenner pays 1% more from lower profit

POWER TRANSMISSION engineers, J. H. Fener and Co. (Holdings), is lifting its dividend from 18 to 19 per cent., with a final of 10 per cent. for the year ended August 31, 1971, on pre-tax profit down to £2,574,855 from the previous year's record £2,699,020.

At mid-way, with pre-tax profit down from £1,115,800 to £1,050,606, chairman, Mr. S. B. Hainsworth, said indications were that the total would be less than the previous year's.

Turnover expanded from £17.06m. to £20.6m.—about £1.5m. of the increase being attributable to the U.S. company, Russell Manufacturing, taken over in 1970. Its financial result is close to break-even, the directors state.

Profit target setbacks at home, due to costs of metrication, the postal strike, running-in a new computer and a demand fall-off, have been balanced to an appreciable extent by good overseas and export performance.

But the policy of increasing available market share, at home and abroad, "has led to some diminuation in margins and a failure sometimes to cover increased wage costs," the directors add.

	1970-71	1969-70
	£	£
Turnover	20,606,969	17,056,254
Pre-tax profit	2,574,855	2,699,020
Taxation	1,150,000	1,195,651
Net profit	1,424,855	1,503,369
Minority interests	61,622	57,299
Attributable	1,363,233	1,446,070

● **comment**

Fenner's second half performance—profits 4 per cent. lower pre-tax—virtually matches the first half 6 per cent. decline. The trading background was sluggish demand and tapering margins in the U.K., offset to some extent by an improved showing overseas and on the export front. Overall, the margin trend can be discerned by sales growth of 12 per cent., ex the contribution from the U.S. where Russell is just out of the red (against acquisition financing cos s of close on £70,000). Russell then is an obvious recovery area but a return to the £100,000 profits seen for 1969 would have scant impact on group earnings. So a 14.7 p/e at 153p for the "A" leans on 1972 hopes for an upturn in U.K. orders plus whatever the market cares to read into the point extra on the dividend.

Lower profit by Asprey

FROM A lower turnover of £1,840,899 against £2,104,055, group profit, before tax, of Asprey and Co. declined to £190,0?? in the year ended March 31, 1971, compared with £207,019 in 1969-70.

The dividend on the unquoted Ordinary capital is again 20 per cent., with a 15 per cent. final.

Chairman Mr. P. R. Asprey says he is confident that maintenance of the present profitability level can be looked forward to. Up to the end of September sales were some 10 per cent. up on the same 1970 period.

The report notes that on April 8, 1971, Mr. E. A. Asprey and Mr. H. E. Asprey were, by resolution, removed from office as directors. Some £21,000 was paid in compensation for loss of office.

Meeting, Brown's Hotel, W., December 29 at noon.

Land & Genl. Developments

The two directors of loss-making Land and General Developments, including chairman Mr. P. Edgington, came under fire yesterday during a heated adjourned annual meeting in London. Calls were made either for the appointment of a new director or for names to be given of those being considered for a seat on the Board.

In addition, there was dispute on the likelihood of repayment of a £105,000 debt owing by Napet Securities. At one point a shareholder threatened to petition for a liquidation of LGD and for an investigation into its affairs by the Department of Trade and Industry.

Napet has a majority shareholding in LGD. A provisional liquidator has been appointed for Napet and a further development, outlined by Mr. Edgington yesterday, is that the Administrator pendente lite for the late Mr. Clive Raphael's estate (he controlled Napet at the time of his death) has been granted permission to apply for a shareholding in Napet. Subsequent to this, the Napet Board can be reconstructed with which, in turn, the LGD Board will be able to negotiate for settlement of the debt.

Mr. Edgington was pressed to indicate who was in mind for a seat on the LGD Board, but he would go no further than say that the decision would be known very shortly. Two names put up at the meeting were Mr. J. D. Rose and Mr. Jim Rowland-Jones, the Raglan Property Trust director.

A poll vote was taken on the resolution to accept the 1969-70 accounts, the result of which was 45,212 to 10,050 against. This excluded the Napet holdings since the provisional liquidator decided to abstain.

It now appears that some of the shareholders, including Mr. Rowland-Jones, may press for an extra-ordinary meeting to remove the two LGD directors. If this comes about, it is unlikely to succeed, since the feeling is that the Napet provisional liquidator would vote against such a move.

SPARK OPTIMISM

Although the engineering division continued to provide the bulk of profits, the printing side should be capable of earning substantial profits in the current year given reasonable trading conditions, forecast Mr. J. G. Lawson, chairman of Spark Holdings, at yesterday's annual meeting.

Asked whether the company was looking out for further acquisitions, he said: "We do not intend to make acquisitions simply for the sake of becoming a big company. But should a possible acquisition mean no dilution of shareholders' earnings, then it would certainly be considered."

Bolton Textile growth

THE policy of acquisitions, coupled with internal growth, is being continued by the Bolton Textile Mill Company, chairman Mr. S. M. Van Gelder says in his annual statement.

With the loss-making disposable clothing subsidiary, Goujon, removed, the subsequent benefit to Bolton's market rating, together with the group's strong cash position, "enables us to look with far more interest at compatible acquisition," Mr. Van Gelder states.

As reported on August 6, pre-tax profit for the year to April 30, 1971, fell from £590,493 to £542,575, but at the attributable level rose from £272,618 to £378,419. The dividend is lifted from 22.5 per cent. to 35 per cent.

Percentage of turnover and profits of activities were: Textiles and clothing 65 and 73, footwear and leather 26 and 23, and premium offer promotion nine and two.

The expansion of the knitting division is progressing as planned and all additional machines acquired during the period are being used to full capacity, the chairman continues. Sales continue to increase and the directors are confident the division will continue its planned growth "in line with the current prosperity in this sector of the textile industry."

The leather and footwear division is becoming increasing more important. Order books are healthy and growth continues at a satisfactory pace. Hersil Fabrics, acquired in February, is already makin ga useful contribution to group profits, Mr. Van Gelder says.

Referring to the recently announced transfer to Reckitt and Colman of the remaining 50 per cent. of Goujon, the chairman says the anticipated growth did not materialise. In the past year Goujon, a half-share of which was acquired by Reckitt's in 1970, made a loss of £62,000, against a profit of £150,00 during 1969-70.

Meeting, Winchester House, E.C., December 16 at noon.

Folkes Hefo first-half advance

ATTRIBUTABLE profits of John Folkes Hefo, the Midlands engineering group, show an advance of 33 per cent. to £457,000 in the first half of 1971.

This increase has arisen from internal growth and reflects the increasing efficiency of the group, explain the directors.

On a par share basis basic earning are up from 0.81p to 1.08p and from 0.74p to 0.95p fully diluted.

At the pre-tax level profits increased by 27 per cent. to £761,000, compared with £599,000 representing a margin of 6.8 per cent. (5.9 per cent.) on sales of £11.23m. against £10.22m.

At the June meeting chairman Mr. J. W. Hearnshaw told members it was probable that first-half profits would be at least 15 per cent. up on the first half of 1970, and that prospects for the rest of the year looked good.

The directors now point out that in previous year's the second half profit has been greater than the first.

The interim dividend is being raised from 7 per cent. to 7½ per cent. in respect of 1971. For 1970 a total of 22 per cent. was paid from pre-tax profits of £1.42m.

● **comment**

The problem with John Folkes Hefo *is to reconcide uninspiring* records prior to the merger and a cyclical looking product profile—forgings, steel plus stockholding, and building each account for about a fifth of sales—with rapid expansion in the past two years and very cheery noises about continued growth. The interim figures represent another stage in closing the credibility gap, with their implication of fully diluted earnings approaching 2.2p per share against 1.7p: this time round, furniture has taken up the running with the help of a slice of loss elimination. Having reduced its credit period by about a tenth this year, the group is happy about the continued scope for improving its balance-sheet. That should leave a firm base for the shares on a prospective p/e of about 11 at 24p.

Cullen's Stores improvement

Pre-tax profit of Cullen's Stores for the 28 weeks ending August 31, 1971, amounted to £78,554. This compares with a loss of £41,342 in the 26 weeks to August 31, 1970 after charging expenditure of an exceptional and non-recurring nature amounting to £67,050.

Turnover since August shows a satisfactory increase while expenses have been contained. If this trend continues the year's result "should [illegible] much improved picture," the directors state.

An interim dividend of 1p (5-6ths) per 20p share has already been declared. The total for the 50 weeks to February 14, 1971 was 1 5-6ths p.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims: Airflow Streamlines, British Steam Specialties, Bricknall Trust, Card Clothing and Belting, E. Chalmers, Clark's Bread, Doranakande Rubber, R. A. Dyson, Exchange Telegraph, FC Construction, W. and C. French, Thomas Hardman, E. E. Jeavons, J. Lyons, Malaysia Rubber, Marchwiel, Thos. Marshall, Oriel Foods, P. Panto, Polymark, Prov. Security Inv. Trust, Renold, Roan Consolidated Mines, Selection Trust, Tunnel Cement, Norris Warming, Wilson Bros.

Finals: Bass Charrington, Beaver Trust, Matthew Brown, Cope Allman, Dunford and Elliott, *General Stockholders Invest. Trust, M. J. Gleeson, Jamaica Public Service, A. E. Jenks and Cattell, Proprietors of Hay's Wharf, Rand Selection, Scottish Inv. Trust, South African Township, *United Wire Group.

FUTURE DATES

Interims—	
Ada (Halifax)	Nov. 26
Atkins Bros. (Hosiery)	Dec. 7
Beautility	Nov. 30
Boosey and Hawkes	Nov. 26
Haughton and Dewhurst	Nov. 26
Jersey External Trust	Dec. 7
Monk (A.)	Dec. 2
Parkland Textile	Dec. 7
Racal Electronics	Dec. 10
Richardson (Arthur)	Dec. 2
Unigate	Dec. 13
Western Motor	Dec. 1
Finals—	
British Tobacco (Australia)	Nov. 29
Court Hotels	Dec. 8
Gale Lister	Nov. 26
Phoenix Mining and Finance	Dec. 1
Sterling Estates	Dec. 8
Turner and Newall	Dec. 14

* Amended.

GREENSITT AND BARRATT

Reporting at yesterday's annual meeting of Greensitt and Barratt, chairman, Mr. L. A. Barratt, said progress in residential and commercial sectors had resulted in turnover and profit during the first 21 weeks trading in the current year being "substantially ahead" of the same period last year.

HIGGS & HILL

The offer by Higgs and Hill for W. H. Gaze and Sons has been accepted by holders of 5,758,710 shares (99.5 per cent.) and has become unconditional. It remains open.

COMPANY NEWS

Powell Duffryn first half upsurge

FIRST HALF group pre-tax profit of Powell Duffryn expanded from £1,330,000 to £1,820,000. Chairman, Sir Alec Ogilvie, says that maintaining the better trend in the full year will depend, among other factors, on how quickly the Government's reflationary measures take effect.

The interim dividend is increased from 3 to 5 per cent., but Sir Alec points out that this should not be taken as an indication of an overall increase in distribution. For the year to March 31, 1971, a total of 13 per cent. was paid from a profit of £3,843,000.

Exceptional items have been omitted from the half year results, including about £5m. net surplus on the sale of S. Great Tower Street, last May.

Sir Alec reports that the reorganised Hy-Mac company is still producing "substantially better results" despite the continuing depression in the construction equipment market.

The engineering divisions have produced considerably improved results, but profit of some other divisions, including shipping, was hit by adverse trading conditions.

	Half-year 1971	1970
	£000	£000
Trading profit	2,127	1,854
Interest	307	524
Pre-tax profit*	1,820	1,330
Estimated tax*	881	579
Net profit	939	751
Attributable	921	7??

* Includes half the pre-tax profits, less losses, of U.K. companies which are 50 per cent. owned by Powell Duffryn, with appropriate tax provisions.

See Lex

NEWMAN TONKS

AT the annual meeting of Newman Tonks yesterday Mr. H. C. Shead, chairman, reported that group sales overall were ahead of the same period last year.

On the works side, he said that wages and overheads were still increasing, but so was efficiency, particularly as the group was affected by the rationalisation programme. Full benefits of the rationalisation were on a long term basis and in the current year would be affected by the moving of plant and stock.

Mr. Shead reaffirmed that, subject to no untoward external circumstances, he would anticipate that the current year would be at least as good as the previous one.

Meeting Page 17

Mansfield Brewery profit up

COMPARED WITH an adjusted £502,000, profits, before tax, of the Mansfield Brewery have increased to £663,000 in the half-year ended September 30, 1971.

An unchanged interim of 3 per cent. is declared—total for 1970-71 was 16 per cent. paid from profits of £1.06m.

After tax of £266,000 (£205,000) the first-half net profit came to £397,000 (£297,000).

Man-Abell progress

On sales of £1,206,000, against £1,166,600, group pre-tax profit of Man-Abell Holdings, quarry owners and brick manufacturers, increased slightly from £80,800 to £86,200 for the half-year to September 30, 1971. Figures for the year to March 31, 1971, were £2,268,000 and £124,000.

Chairman Mr. B. S. Barlow stresses that a hard winter, and more especially long periods of rain, can have serious effects on final profitability. However, bearing in mind this factor and the future order-book position, the directors have recommended an increased interim dividend of 4 per cent. (3 per cent.). The 1970-71 total was 12 per cent.

The first six months shows that the recovery in the fortunes of the company is a continuing one. One of the most satisfactory aspects of this progress is the vastly improved liquidity. Wilnecote Brick Company is now proving itself a valuable and profit-producing unit and the demand for its products has exceeded expectation, the chairman adds.

Statement Page 28

First half upturn by Attock Oil

AN INCREASE from £535,000 to £579,000 in profit, before depreciation and tax, is reported by Attock Oil for the first half of 1971.

An unchanged interim dividend of 6¼ per cent. is declared—for 1970 a total of 16.875 per cent. was paid from trading profits of £1.4m.

Production of crude oil from all fields totalled 854,898 barrels (947,025 barrels). Production from the subsidiary Pakistan Oilfields was 462,468 (428,017) barrels. Refinery throughout amounted to 1,515,371 (1,640,133) barrels. Completion of Pakistan Oilfields Meyal Well No. 2 has been retarded by mechanical difficulties, state the directors.

First-half tax takes £253,000 (£250,000). The directors point out the profit figures do not include any dividend from Pakistan Oilfields.

At least 17% by Property & Reversionary

Property and Reversionary Investment Corporation is raising the interim dividend from 3½ per cent. to 5 per cent. and the Board anticipates a final of not less than 12 per cent., making 17 per cent for the year to March 31, 1972, against 15 per cent. in 1970-71.

Income for the six months to September 30, 1971, was up from £296,905 to £426,187 and pre-tax profits rose to £294,068, against £155,391.

Pre-tax profits for 1970-71 totalled £402,033.

	Half-year 1971	1970
	£	£
Rents less property outgoings	326,875	263,578
Other income	†99,312	33,327
Total	426,187	296,905
Administration, etc.	40,971	37,943
Depreciation	585	610
*Interest payable	90,703	102,961
Profit before tax	294,068	155,391
Minority credit	219	‡476
Attributable	294,287	154,915

* Including interest applicable to properties in course of development £13,400 (£16,320). † Including £43,322 dealing profit. ‡ Debit.

Directors say the present increase in the interim is designed partly to bring it more into line with the final dividend.

Randalls to earn and pay more

Considerably increased profits and a higher dividend for 1971 are forecast by Randalls Group, wholesale distributors to the building, engineering and electrical industries.

The interim dividend is raised 2 per cent. to 8 per cent. and the directors expect to pay a final above last year's 8 per cent.

First-half sales rose from £3.55m. to £3.81m. and the profit *from £34,649 to £76,881, subject to* tax £30,752 (£4,809).

Current conditions indicate that 1971 will show a considerable increase over 1970 and there are good prospects that performance wil show further improvement in 1972.

10% more by Ruo Estates

Ruo Estates Holdings is raising its dividend from 15 to 25 per cent. for the year to June 30, 1971 with a final of 17½ per cent.

Net profit increased from £81,437 to £114,312, after tax of £70,018 (£59,475).

APPOINTMENTS

Mr. Hynes to be director-finance of Rolls-Royce

Mr. Michael Hynes has been appointed director-finance of ROLLS-ROYCE (1971) from December 6 and will be based at the head office in London.

He is at present a director of IBM United Kingdom and its associated companies and will relinquish those positions on taking up his new post.

The post of director-finance is one of a group of senior executive positions reporting to the deputy chairman and managing director, Mr. Ian T. Morrow.

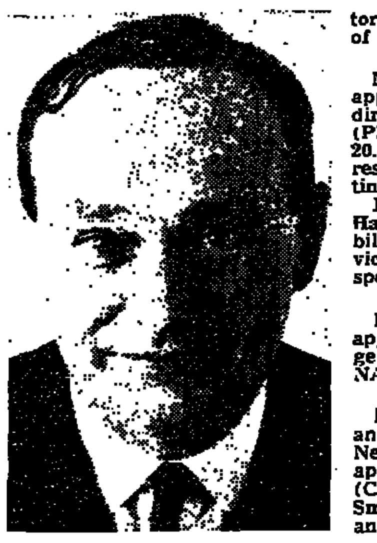
A chartered accountant, Mr. Hynes joined IBM United Kingdom in 1955 and became controller in 1961, responsible for the management of finance and accounting of IBM in Britain.

In 1964 he was appointed director, finance and administration, and in 1970 director of staff which entailed functional relationships with the IBM parent company in the U.S.

Management changes in IBM UNITED KINGDOM resulting from Mr. Hynes's appointment are Mr. B. L. Petch to be director of finance, and Mr. L. H. Peach, director of personnel. Both will become members of that company's management committee.

★

Mr. Donald D. M. Docherty has been appointed project manager of the HUNTERSTON DEVELOPMENT COMPANY.



Mr. Michael Hynes

Mr. Jeremy Leighton has been appointed head of the CITIZEN'S ADVICE BUREAU SERVICE from March 1.

★

Mr. William S. Brown has been appointed an executive local director of the London Eastern District of BARCLAY'S BANK.

★

Mr. G. A. Howard has been appointed brewing and research director of ALLIED BREWERIES (PRODUCTION) from December 20. The position of process research director will be discontinued.

From the same date Dr. R. D. Hall will take over the responsibility for overseas technical services in addition to his duties as special projects director.

★

Mr. Colin J. Mason has been appointed group purchasing manager of REDMAN HEENAN INTERNATIONAL.

★

Mr. Alan S. Pegley, chairman and managing director of Central News (City Advertising), has been appointed a director of DORLAND (CITY) and Mr. J. A. Bagnall Smith has resigned as chairman and director.

★

Mr. John Morgan has been appointed chief executive of EXCHANGE AND MART, the classified and mail order weekly. Mr. Leonard Hunnings, previously group advertisement manager, has been appointed commercial manager.

★

Mr. James Kane has been appointed managing director of CROSFIELDS AND CALTHROP (SCOTLAND). He was formerly with Transfleet Services.

★

Mr. Dennis Stevenson has been appointed chairman of Aycliffe and Peterlee Development Corporations following the resignation of Mr. T. Dan Smith.

★

Mr. M. R. Black and Mr. S. Hobbs have been appointed to the Board of SMITH'S SECTIONS, a subsidiary of Midland Aluminium.

★

Mr. Tom Price has been appointed a director and general manager of STANTON COMMERCIALS, *part of* the J. and H. B. Jackson group, from December 1. He was previously service director at Henly's Coventry.

★

Mr. E. C. Skelding has been appointed to the Board of ASSOCIATED SPRAYERS.

★

Mr. Patrick Macrory, a member of the Court of the Bank of Ireland, has been elected a non-executive director of CARRERAS.

★

Mr. R. H. Hewitt, formerly financial executive director of TELEPHONE RENTALS, has been appointed a full member of the Board. Mr. R. A. Sly, the group's general manager (field) becomes an executive director.

★

Mr. R. D. McDougall has resigned from the Boards of DRAKES and DOWGATE AND GENERAL INVESTMENTS. Mr. G. H. Camamile has been appointed a director of the latter company and also becomes chairman.

£8.6m. Post Office order for Plessey

BY GEOFFREY CHARLISH

THE POST OFFICE has placed orders with Plessey Telecommunications worth £8.6m. for Crossbar telephone exchanges and extensions.

The order follows a few weeks after a £15m. Post Office deal with *STC for the new reed electronic* exchange, TXE4, and indicates that the U.K. network is now moving into a period in which Strowger, Crossbar and reed electronic systems will be ordered in quantity and will work side by side.

The Plessey contract provides for the installation of a new sector switching centre for the London Telecommunications Region and for 26 other new telephone exchanges each having between 1,000 and 6,000 subscriber lines. A further 22 exchanges will be extended and in all the contracts signify a further 104,000 new lines throughout the country.

The sector switching centre, to be built at Kingston, will provide junction and trunk switching facilities for routing telephone calls from surrounding exchanges in the south west sector of London to other parts of the country.

All the equipment will be built in the Plessey 5005 system which offers, in common with all Crossbar systems, faster switching, easier maintenance and an ability to search of its own accord for a path through the exchange if the lines are heavily engaged.

Smaller firms' problems to be aired

THE PROBLEMS of the smaller company as seen by the Bolton Committee, whose report was published earlier this month, will be the subject of a conference in London on Tuesday arranged by the Charterhouse Group and International Business Communications.

The conference will be chaired by Mr. John Bolton, who headed the Government committee, and Mr. Robert Beldam, chairman of the CBI's Smaller Firms Council. Mr. Nicholas Ridley, to whom the Government designated responsibility for Small Firms at the Department of Trade and Industry, will give a short address.

Speakers will examine the findings of the two-year inquiry. Mr. Michael Levete, chief marketing executive of Charterhouse Finance Corporation, will talk about sources of finance open to the private company, and Mr. David Gottlieb, a tax expert, will give some ideas on how "to make the best of a bad deal" from the taxation authorities.

Other speakers are: Mr. James Morrell, economic adviser to Charterhouse and Management Today; Mr. A. D. C. McKie, assistant general manager of Lloyds Bank; Mr. W. J. R. McEwan, director of the finance division of P.A. Management Consultants; Mr. Richard Strong, director, Charterhouse Development; and Mr. John Wates, adviser to the Industrial Society.

LASER RESEARCH HIT BY FIRE

Fire destroyed valuable laser research equipment in an outbuilding at Southampton University yesterday.

Development of laser devices—in which field the university is world-famous—would be temporarily halted because of "very substantial" damage to equipment and records, a university spokeman said.

Swan Hunter delays tanker delivery date

SWAN HUNTER, the North-east coast shipbuilders, is not now expected to deliver the new 250,000-ton oil tanker, Texaco Great Britain, to Texaco Overseas Tankships, London, until well into December. The builder had expected to hand it over this week.

This delay follows the accident aboard the vessel during trials in the North Sea last week when the casing of a cargo pump turbine disintegrated, killing one man and injuring three others.

The Texaco Great Britain is in the Forth, where she ran for shelter from week-end storms, and some forecasts say it could be another two or three weeks before she is ready to resume trials.

The ship is awaiting replacement parts for the damaged machinery. *Meanwhile, three* other similar cargo pumps are being stripped down and examined and investigations are going on to establish the cause of the accident.

DITTON BY-PASS TO OPEN ON DEC. 7

Ditton by-pass—6¼ miles of new motorway connecting the western end of the Maidstone by-pass with the A20 at Wrotham Heath—is being officially opened to traffic on Tuesday, December 7, ahead of schedule.

The £5½m. road was designed by and built under the supervision of the S.E. Road Construction Unit's Kent Sub-Unit. Contractors were Costain Civil Engineering.

CREDIT CARD MOVE

Britain's biggest independent airline, British Caledonian, is now accepting the American Express card on its international and domestic network. An official said that the agreement meant that *virtually every major airline in* the world now accepted the card.

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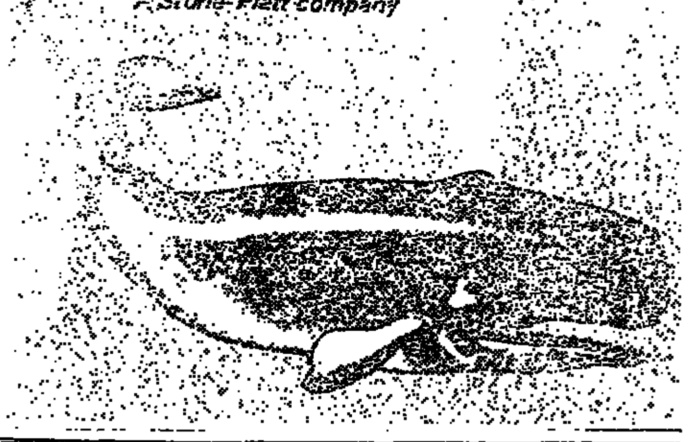


WATER SUPPLIES AND DESALINATION

Financial Times Survey

Coping with a growing demand

By Sir WILLIAM GOODE. Chairman. Water Resources Board

Estimates of the future demand for water in Britain consistently indicate that this will double within the next 30 years. This assessment, which was first put forward some years ago, is now generally accepted.

As long as water is as naturally plentiful and as cheap as it is to-day, demand for it must increase. It is not only more bathrooms and washing machines and garden hoses which call for more and more domestic water supplies. Industry uses gargantuan quantities of water for manufacturing process, for washing, for conveyance of waste products and for cooling.

Can the demand be met, and can it be met without unacceptable cost or serious harm to Britain's countryside?

The short answer is "yes." This country enjoys over the year an ample rainfall which, if conserved, can give us all the water we can possibly want for the foreseeable future. We need to store water when it is plentiful and would otherwise run down our rivers to the sea, and then we must be able to move it to where it is needed when it is needed.

The Water Resources Board's three regional reports show how this can be done. It is not necessary to double the number of the many existing storage reservoirs built by water undertakings and industry up and down the country in order to double the supply. Engineers and scientists to-day can overcome problems which limited the choice of projects open to their predecessors.

Perhaps the most productive advance in technology is in water treatment: making water safe to use. For this enables us to utilise doubtful sources of supply and to use water more than once.

Industry has for many years used water over and over again by mills along the course of a river. But the paramount importance 100 years ago of safeguarding domestic water supplies for drinking forced water undertakings to store rain water in uplands uncontaminated by man—and not only to fence their reservoirs off to prevent any human contamination but in some cases to prevent access to the reservoir catchment.

Lower reaches

Now with to-day's techniques for treating water it is possible not only to be more liberal in allowing access and recreation on water supply reservoirs but also to use water abstracted from rivers, as the Metropolitan Water Board have long demonstrated, from the lower reaches of a river.

This at once vastly increases potential supplies. Water can be abstracted by a succession of water undertakings along the course of a river rather than each undertaking having to build its own storage reservoir up in the headwaters, thereby taking water away from the river right at the top. In this way the demands of several undertakings instead of being cumulative are successive.

The Board's proposals for future development rely increasingly on using water from rivers and on using rivers to move water to where it is needed. New storage reservoirs put forward by the Board for consideration are mainly intended to provide water to supplement the flow of rivers such as the Severn, the Dee and the Thames in times of naturally low flow. These are regulating reservoirs.

Since water is released from a regulating reservoir only when the natural flow is too low to support licensed abstractions, storage in such a reservoir can safeguard a much greater total successive abstraction from the river than the total it could provide by continuous supply through a pipeline direct to a single water undertaking. So less storage and fewer new reservoirs are needed. But they need to be in the upland areas for maximum benefit.

There are other ways of increasing supplies. Better management of the large quantity of water stored naturally underground in the aquifers, particularly in the chalk of the Thames and Great Ouse basins, and its use to regulate river flows rather than for direct supply should go far to meet needs over at least the next decade in the central area of the South East. Later, as current investigations progress, it may be possible to increase the yield from these and other aquifers by artificial recharge, that is refilling those aquifers which have been depleted when there is water of suitable quality available.

Storage can also be provided by constructing bunded reservoirs in estuaries such as Morecambe Bay, the Dee and the Wash.

Finally, as a way of augmenting water resources desalination may have a part to play as suggested in the Board's report "The Wash: Estuary Storage." Limiting factors here are the high cost of producing water by any of the present commercially proved processes and the cost of moving that water to centres of demand. This latter point applies also to estuary storage.

The work of the Water Resources Board over the past seven years shows conclusively that all likely needs for water can be met in England and Wales without substantial increase in cost overall (after allowing for the fall in the value of money) and without undue loss of agricultural land, social disturbance or damage to amenity.

There are, however, still serious obstacles to be overcome. They are administrative and political rather than technical.

First, can we rely on using rivers in the way the Board has assumed? This depends on the quality of the water in our rivers, and that in turn depends on a far more vigorous and effective administrative system for dealing with effluent discharges than at present exists. There is too much dissipation of effort and not enough co-ordination and planning. It is unreal to rely on the 1,400 sewage disposal authorities which to-day discharge this fundamental responsibility. The excellent report of the Jeger Committee issued in July last year and entitled "Taken for Granted," and the first report of the Royal Commission on Environmental Pollution, both emphasised the need for action in this sphere.

Pooling resources

Second, there is the difficulty of using conservation works and aqueducts for the benefit of a larger area than the area of one authority. It is by pooling resources and by a carefully planned sequence of development over a region as a whole and indeed inter-regionally that the proposals in the Board's reports will save costs not only in money but, equally if not politically more important, in land use and social disturbance. This involves deploying resources in the interests of the region or, for that matter, the country as distinct from the interests of a particular river authority or of a particular water undertaking. It involves switching those resources to supply different groups of consumers at different times as demands grow and as other sources are introduced. Can the different river authorities, water undertakings and local authorities, each responsible to their own members (frequently elected), subordinate the financial interests of their own authority to the interests of a much larger area? Given goodwill and a sense of responsibility it should be possible to get agreement in principle on the sort of large-scale programmes of development and operation the Water Resources Board put forward in their reports. But successful negotiation of financial terms is difficult and time-consuming, as there is no superior executive body empowered to arbitrate or impose an equitable ruling. It seems all too significant that a recommendation for the change in use of a reservoir, which was made by the Board in 1965 and quickly accepted in principle by the two authorities concerned, is still under negotiation between them.

If these obstacles cannot be overcome — and overcome in time — additional supplies of water will not be available in time. In the resulting emergency regional programmes will be jettisoned and each authority will be forced to proceed independently to promote new storage reservoirs at much unnecessary cost in land use, social disturbance and impact upon the countryside.

Fresh water factories

By DAVID FISHLOCK, Science Editor

Desalination in one respect at least resembles nuclear power. Those who plan two or three decades ahead foresee that both processes are bound to find an important role in the domestic affairs of the more affluent nations, including Britain. To say so too loudly at this stage, however, would simply disturb the established order unduly—to little or no useful purpose.

Like nuclear power, world demand for desalination is expanding at a very rapid pace. This is not always acknowledged, for in each case the process is still in the foothills of a very steep demand curve. But world capacity of desalination is now expanding at 24 per cent. a year, and the total already exceeds 100m. gallons a day.

The chief customers so far have, of course, been the oil-producing nations who have no alternative supply of water, but also have the advantage of abundant cheap fuel. In the late-1950s two British companies, Weir and Richardson Westgarth, developed the technique of multi-stage flash distillation, the basis of almost every big commercial plant for desalting seawater. Many other companies throughout the world have since exploited the multi-stage flash process, ensuring keen competition for each new plant to-day.

Latest plant

Gradually the demand for desalination is spreading beyond the oil nations, to such communities as Gibraltar, Hong Kong and Israel, whose geography limits the amount of natural fresh water that can be captured. One of the latest is Jersey, where a plant of 1.5m. gallons-per-day capacity was commissioned last year. Its water is very costly—£1.50 to £2 per 1,000 gallons, the plant contractor, Weir-Westgarth, has estimated. This is ten times as high as the Kuwait cost for the same process. The difference is partly because the Jersey plant is small and self-contained, with its own boilers for steam and for raising electrical power.

The Jersey desalination plant is the first fresh water factory built in Britain to feed water into the domestic supply. It is needed at present for only two or three months each summer, when tourist traffic coincides with the market gardeners' demands. But it avoids the crippling effect of autumn water restrictions on the island's economy.

Jersey is a pointer to the way Britain—despite an abundant rainfall—is expected to go. The present water requirement in Britain is 36,000 gallons per head per year, excluding agricultural and industrial uses. But consumption is expected to rise to 77,000 gallons per head per year by the end of the century. According to a Science Research Council report on desalination, published earlier this year, "desalination of seawater and brackish river waters will be making a significant contribution to United Kingdom water resources by the end of the century."

Which process will win through to this stage is by no means yet certain. The major research effort worldwide is in a form of distillation more advanced yet simpler than multi-stage flash, known as vertical tube evaporation. The U.S. especially is spending heavily here. But the first commercial order to be placed for a plant of this type was with Aiton and Company, of Derby, four months ago, for a capacity of 300,000 gallons per day.

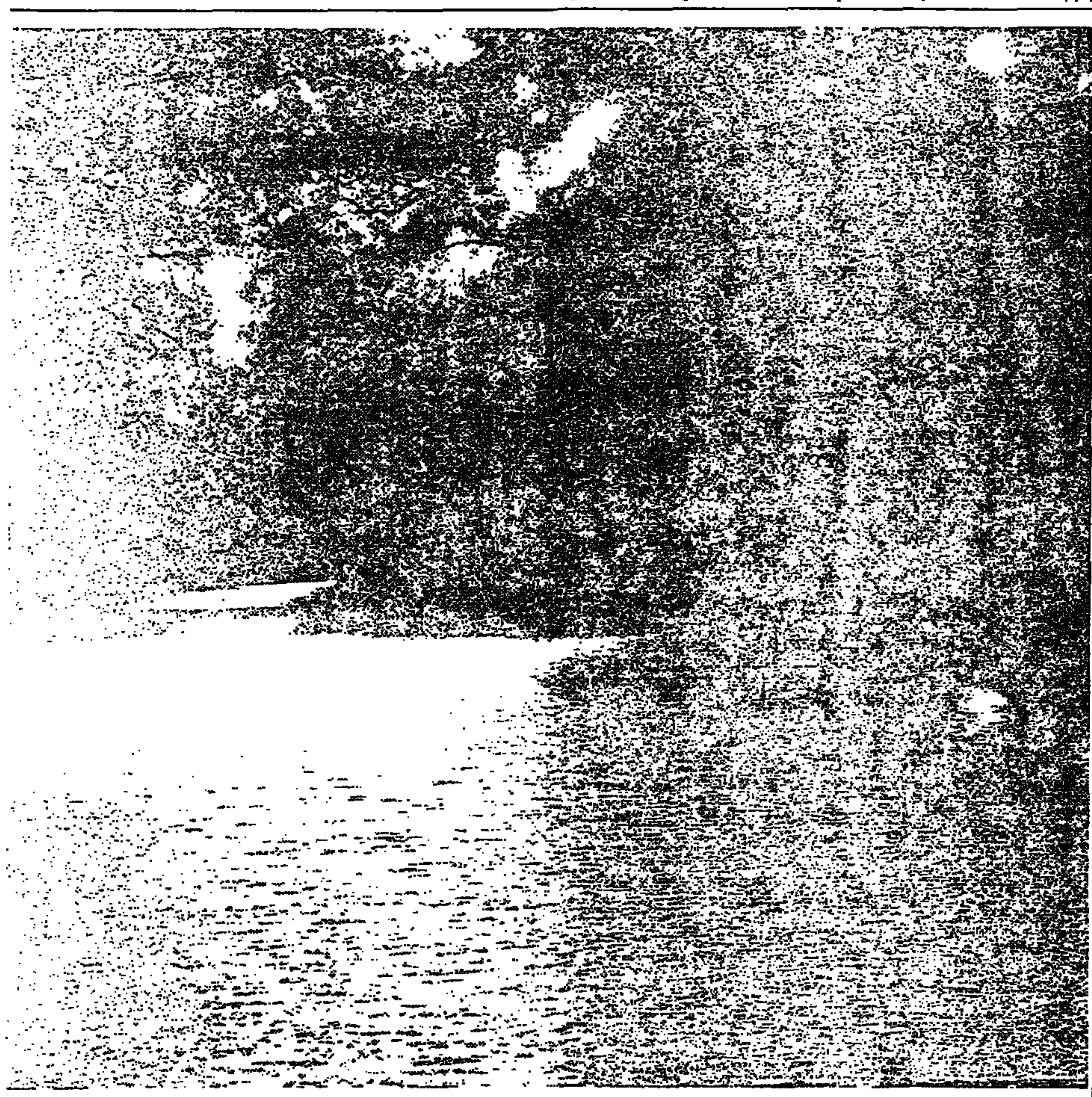
The Government of Gibraltar was recommended to invest in this plant by a British firm of consultants, Preece Cardew and Rider, its engineering advisers. Such a plant, they said, would now work out cheaper than multi-stage flash. Comments the consultants: "With the development of better methods of scale control, it has been possible to consider the use of shaped or fluted tubes which provide a greater surface for a given weight of material. These shaped tubes, coupled with the technique of minimising the depth of the liquid on the tube surface by utilising a falling film evaporation, have led to a significant reduction in the amount of non-ferrous materials required for a given distiller output."

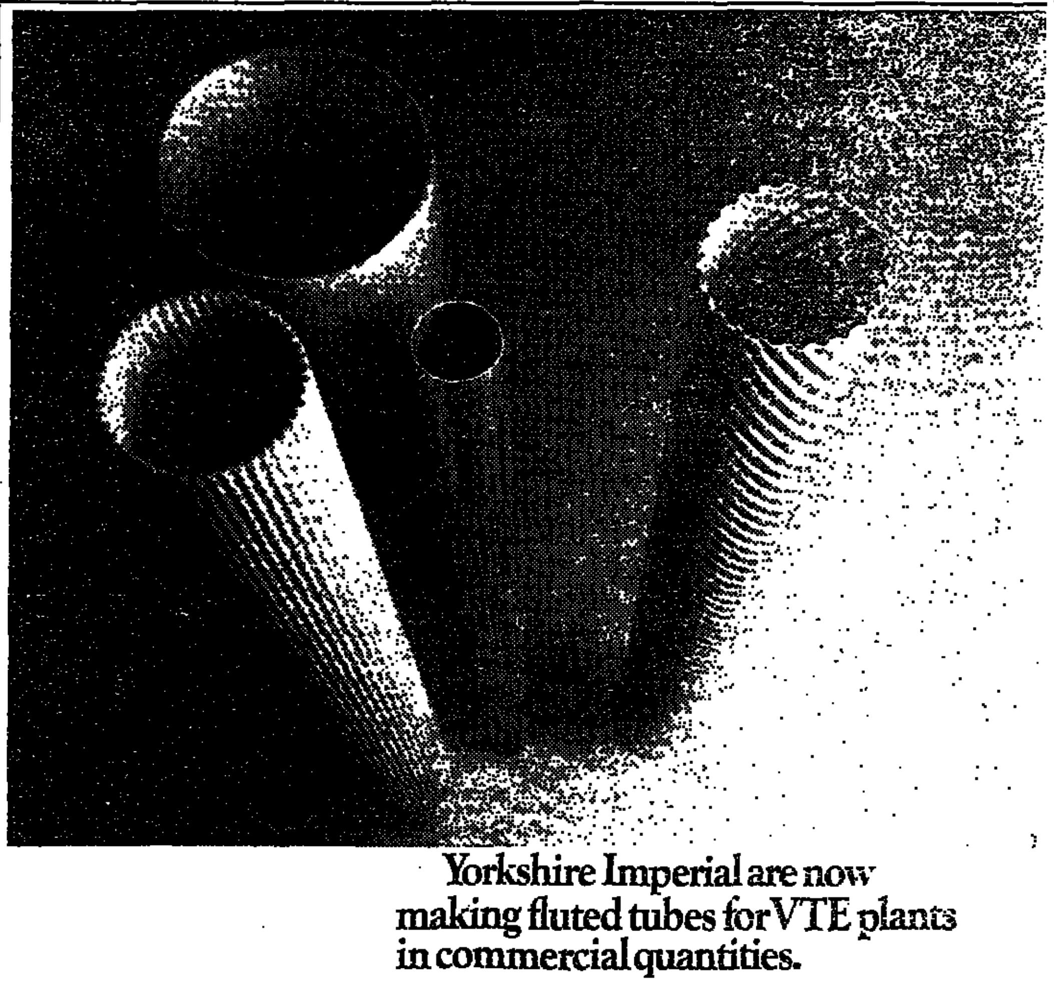
Vertical tube evaporation is one of the processes supported by Government research funds in Britain. Another is a process for freezing out salts in solution which the Government hopes to demonstrate in the shape of a 1m.-gallons-a-day plant near Ipswich, desalting seawater for addition to the public water supply. The site was selected for a pilot module of the new process because this is an area which obtains its fresh water from boreholes, now almost pumped to their limit. If the freezing process, on the basis of a £2m. prototype module, promised water at competitive prices, further modules would be added as the demand increased.

However, it was the conclusion of the Science Research Council's recent inquiry into desalination, led by an industrial scientist, Prof. J. W. Barrett of Monsanto Chemicals, that membrane processes looked the most exciting. "We conclude that of all the processes available for desalination, those which utilise membranes, particularly reverse osmosis, offer the best prospect if a suitable system can be developed." It advised the abandoning of present "largely unsuccessful" lines of research and fresh support from the Council on new lines it proposed.

Obvious attraction

Perhaps the most obvious attraction of membrane methods of water purification is that their cost is closely related to the concentration of salts in solution. Many places in Britain have water available which although unfit to drink, is much less contaminated than sea water. These brackish or polluted waters might well be cleaned up by membranes, to add many millions of gallons daily to public water supplies in the next decade or two. At the same time they would help to satisfy another national goal—the clean-up of some of Britain's polluted inland waterways.





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ndustry's needs increase vith new technologies

EONARD MILLIS, Director, The British Waterworks Association

n *the earliest days the* f the public water supply akers was to make sure plies for health and other tic purposes.

se supplies had to be some and in modern times ricted. Quite naturally thorities who were trying their way were anxious l water to industry, pro- that it did not adversely the domestic supply; the on now is that under n 27 of the Water Act, water must be supplied to ry upon reasonable terms onditions.

erms of actual quantity of abstracted the figure for nd and Wales is about m. gallons daily, of which l. gallons alone is taken oling water for the elec- supply industry. lic water supply consump- is now of the order of n. gallons daily in England Vales and between a third *and a half of this supply* is provided to industry.

In some areas the proportion given to industry is considerably higher, for example, on Teesside where following a considerable expansion of the local iron and chemical production industry has turned to the water supply authority for its supplies.

The demand for public water supplies is increasing at the rate of 3 per cent. each year and no one has any doubt that this increase will continue or that the future water requirements of industry will keep pace with this trend.

Many attempts

The more highly scientific and complex processes in industry become, the greater the quantity of water which is needed; many of the technical advances of production seem to be accompanied by the increasing use of heat and, therefore, imply an increasing demand for cooling water.

Many attempts have been made to estimate future trends in industrial consumption of water more exactly but for various reasons this question remains unpredictable.

Owing to its considerable use *in cooling, steam raising, pro*cess work, de-ashing of furnaces, fire prevention, and for many other purposes, water is as basic to industry as its other raw materials.

All types of water are used ranging from high quality potable water from public water supply authorities to raw untreated water of poor quality from downstream or estuary sources.

As demand continues to outstrip the availability of local water supplies an efficient public water supply is essential to industry.

The actual level of demand for industrial water supplies from the public water authorities will depend on many factors such as the extent to which industrial use of water is affected by change of processes: Government policy on the expansion of the economy; the extent to which the present *50,000* manufacturing units using water are concentrated into smaller numbers of larger scale plant; the increasing trend to look at all items of expenditure with a view to paring down marginal costs; the uncertain future faced by some industries which are major users of water; and the growing pressure on industry to treat effluent discharges to a higher standard.

Also important will be the extent to which continuing improvements in technology are applied more vigorously in industry to the conservation, recirculation and reuse of water, the disposal of bulk effluent and the storage of water for 24 hours, and the possibility of increased use of brackish water.

Despite economies it seems certain that the demand for industrial supplies will continue to rise, although there may be a gradual levelling off in the rate of increase.

It is not surprising that the water supply undertakers have made special efforts to keep pace with the increased demand: investment has been heavy and expenditure on capital works, *mainly in the form of new* reservoirs, averaged £57m. a year from 1964-69. Investment will clearly have to be increased as the additional 100m. gallons daily supply which is needed is met by the development of new sources.

At the present time the need for or desirability of permitting the water supply industry to take land for reservoir building is being seriously questioned but to meet immediate requirements of the order indicated reservoirs must be built; time is short and there is no alternative other than acceptance of serious shortages. The construction of a reservoir is a long-term project taking years to bring into operation. It is also an expensive project and new works of this nature are not therefore undertaken by the local water undertakings without the conviction that they are really necessary.

In the more distant future the possibilities include as well as the continued construction of impounding reservoirs and river regulating reservoirs the building of estuarial barrage schemes, major transmission aqueducts and tunnel mains on a regional or national scale, together with increased use of desalination, recirculation schemes involving pumped storage and complementary use of ground and surface resources.

Regional reports

The Water Resources Board have indicated in their three regional reports on water resources in South East England, in the North and in Wales and the Midlands where the possibilities for the development of future water resources lie.

The water industry has the technical experience and the necessary skills to carry out the schemes which it is decided should be constructed and to provide the efficient detailed service required to retail the additional supplies made available to domestic and industrial consumers alike. What is urgently needed now is a decision on the different possibilities for obtaining the further water resources.

So far whatever source of supply has been developed the decision about its construction has been largely determined on the criterion of cheapness in terms of money costs to water undertakings. It might well be that different criteria will be required to be adopted in future. It is not for the water supply undertakings to decide on these. There are already those on whom this duty falls, and it is they who are required to take into account in making *their decisions all those other* relevant factors which are not directly the concern of the water undertaking.

To sum up, what is required *is more water, from sources* which must be made available, and of a kind which can be turned at reasonable cost into public water supplies and of course, including adequate reserves to cover known drought conditions and thus avoid the threat of serious shortages.

dvances in water urification

Dr. A. L. DOWNING, Director, Water Pollution Research Laboratory of the Department he Environment, Stevenage.

s technically feasible to almost any type of waste using well-established processes, so as to ate virtually all its con- ants. Inevitably, however, circumstances, especially nic factors, determine the of purification aimed at ictice. In the U.K. most its to be discharged to waters receive extensive ient in order to comply with standards laid down by river authorities in respect of characteristics such as suspended solids, five-day biochemical oxygen demand (BOD —a measure of the tendency to cause depletion of dissolved oxygen in the receiving waters) and a wide range of specific constituents whose presence would interfere with the use of the water below the point of discharge.

The steadily rising use of water and the consequential increases in the volumes of waste water to be disposed of *will probably entail within the* next few decades requirements in some places for treatment of waste waters to higher standards than has been customary: *to protect existing uses* of natural waters or to permit new uses; to allow greater direct re-use of effluents for industrial purposes; and possi*bly to permit reclamation of* water from effluent for recycling directly to the public water supply.

New measures

New measures that might be needed include reduction in the concentration permitted to remain in effluents of suspended matter and BOD; ionic forms of nitrogen and phosphorus (which can stimulate excessive growths of algae); non-degradable organic constituents or inorganic matter with known tendencies to accumulate in the environment and to produce toxic effects; pathogenic microorganisms; and dissolved salts generally (for example, where subsequent re-use involves operations where scale formation might be a problem).

Research has been in progress for many years both to improve the efficiency of methods of purifying effluents to meet existing standards and to furnish the means of meeting possible new requirements. *Traditional practice in sewage* treatment involves a combination of physical and biological processes usually with the principal objective of removing suspended solids and BOD, and, in some cases, of converting ammonia to nitrate which in many circumstances is unobjectionable or less objectionable.

Various methods are already available or under development for limiting release of both ammonia and oxidised nitrogen including stripping out of ammonia with air in a countercurrent tower after addition of lime or elimination by ionexchange using naturally occurring zeolites; and by biological reduction of nitrate to molecular nitrogen. A noteworthy feature of the first of these methods, which is already in full-scale use in the U.S. and in South Africa, is that addition of lime also precipitates phosphate, and indeed were removal of phosphorus alone desired addition of lime would probably be the preferred method. Consideration of such methods prompts speculation about the prospects of combining them with processes different from those employed in conventional practice. Of particular interest are schemes for purifying sewage by *entirely non-biological* methods, one of the most promising of which is based on treatment with lime, air stripping, and passage through granulated activated carbon which removes impurities by adsorption, incineration of the sludge produced in the first stage, and regeneration of the activated carbon in a furnace. Potential advantages from such a scheme, which has been shown to be technically feasible in work in the U.S. and in more limited studies at WPRL, are that it would occupy less land than conventional schemes, it would produce effluent of better quality in some respects, it would lend itself more readily *to automatic control,* and it might well prove less susceptible to disturbance from the presence in sewage of substances released by industry. On *the other hand it seems likely* to prove appreciably more expensive than existing schemes and there are still many uncertainties about the way in which *performance would vary with* operating conditions.

A possibly better scheme, now under study at WPRL, would involve the additional use of a high-rate biological stage in order to reduce the load that would be applied to the activated-carbon columns, the most expensive stage of treatment, and possibly to ensure elimination of some types of impurity that would be ineffectively removed by carbon. The quality of the final effluent would depend on the operating conditions chosen but could certainly be suitable for direct re-use in many industrial processes and might be similar to that of potable supplies. There are, however, other ways in which effluent of such quality can be produced. It was shown for example some years ago that a *clear colourless sterile* water, suitable for industrial use, could be produced at modest cost by treating well *purified* effluent from conventional sewage-treatment plant by *chemical* coagulation and settling, sand filtration and *chlorination.*

Rising costs

Another successful approach was based on the use of microstraining and treatment with ozone. More recently studies made by the Laboratory, in collaboration with the *Process* Technology Division of the UKAEA, Harwell, have shown that it is possible under laboratory conditions to produce water *of near potable quality* by treatment of well purified sewage effluent by reverse osmosis, a process in which water is separated from its impurities by passage *through a cellulose* acetate membrane under pressure. Trials of the process are now being made at a large regional sewage works. It seems *likely that, at present, the cost* of such water will be higher than that of potable water from conventional sources, but against a background of rising *costs may become more com*petitive as time goes on. Moreover, the process should be useful for treatment of effluent and recovery of water in industry.

Most of the processes already mentioned find some application for treating industrial effluents alongside many others that cannot be dealt with in detail in the space available. Broadly the same trends are influencing development in the industrial field as in the case of sewage *treatment, leading* inevitably to greater emphasis on processes facilitating recovery of useful materials and re-use of reclaimed water, such as solvent extraction, ion-exchange, flotation, and electrochemical methods; particularly striking has been the growth in use of plastic filter media for high-rate biological treatment of organic wastes.

SOUTH AFRICAN IRON AND STEEL INDUSTRIAL CORPORATION

STEADY GROWTH CONTINUES

The 42nd Annual General Meeting of the South African Iron and Steel Industrial Corporation, Ltd. was held in Pretoria on the 24th November, 1971. The following is a summary of the main points dealt with in the Chairman's statement.

Net profit for the year ended 30th June, 1971, before taxation was R19 520 000, an increase of R4 480 000 on the comparable figure for the previous year. The net profit, after tax, amounted to R14 020 000 as compared with R9 240 000 for the previous year.

During the financial year various external financing sources, both overseas and local, were utilised to supplement financing of capital extensions from internal cash flow. Agreements were entered into with foreign suppliers of capital goods, as a result of which suppliers' credit to the amount of about R28 million was made available to Iscor. Approximately R4 million of the above amount was obtained in terms of the buyer's credit agreement concluded in the United Kingdom at the end of the previous financial year. In terms thereof, an amount of £30 million is available through a group of U.K. clearing banks, for financing of purchases from the U.K. in respect of orders placed on or before 30th June, 1973.

Molten iron production at Pretoria and Vanderbijlpark Works totalled 2 638 523 tons. In addition, the Newcastle Works produced 835 391 tons of hot metal, of which 781 579 tons were for pig iron and 53 812 tons for ferro-manganese production. Steel ingot production increased by 93 530 tons to 3 478 416 tons, which was 2.8 per cent. higher than the figure for the previous year.

Sales

The net sales value of all products sold during the year, amounted to R291 469 758, as compared with R238 479 564 in the previous financial year. The total tonnage and net sales value of all products sold show an increase of 31.5 and 22.2 per cent., respectively over the figures for the previous financial year.

During the year an estimated record total of 4 052 000 tons of rolled, drawn and forged steel products was supplied from South African and overseas sources to consumers in the Republic, South West Africa and neighbouring African countries. This is an increase of approximately 579 400 tons, or 16.7 per cent. over the adjusted figure of 3 472 600 tons for the previous financial year. Of the 4 052 000 tons, Iscor supplied 64.7 per cent. and other South African producers 21.0 per cent. whilst 14.3 per cent. was imported. The Corporation's share of the tonnage produced in the Republic was 75.6 per cent., compared with 73.9 per cent in the previous year.

Export of Iron Ore

It will be recalled that Government approval has been given in principle for support of Iscor's plans for the development of Saldanha Bay as an iron ore terminal and the building of a special railway link to Sishen. Detailed studies have reached an advanced stage and adequate finance for the whole scheme has also been assured.

Following upon the economic upheavals of the past twelve months, the steel industries of the world have had cause to review their forward estimates of developments and requirements of iron ore and, for the moment, the climate is not as favourable to the conclusion of long-term contracts for large tonnages as both sellers and buyers had hoped it would be.

Demand

The extraordinary increase in the demand for steel products has gained even greater momentum during the past financial year. To meet the situation Iscor, in consultation with other steel producers and the Department of Industries, arranged large-scale imports of a comprehensive range of steel products. Since the commencement of the importation programme, 935 000 tons of basic steel products, with a total delivered value of R90 million, have been purchased from foreign suppliers. Of this total, Iscor purchased 808 000 tons.

Extensions

The rounding-off programme at Vanderbijlpark Works, which will result in an estimated capacity of about 3.7 million ingot tons, is well under way. A formcoke pilot plant has been installed and the building of the fourth blast furnace is up to schedule and production should start early in 1973. Construction of the No. 2 sinter strand is nearing completion. Basic oxygen furnace steelmaking facilities have been ordered and the two 135 ton electric arc furnaces are now approaching design capacity.

On the mills side, the four-sided scarfing machine is being installed and an order has been placed for the 2 050 mm hot-strip mill, due to be commissioned in May, 1974.

The modernization and rounding-off programme at Pretoria Works to produce an estimated 1.9 million tons of ingots a year, is well under way. An order has been placed for the modernization of the heavy mills complex and this mill will be capable of rolling universal beams of up to 610 mm x 230 mm and columns of up to 356 mm x 370 mm. Its annual capacity will be 540 000 tons.

The planning and project work of the first construction phase of the new integrated steelworks at Newcastle has reached an advanced stage. Tenders have been invited for all the major production and service facilities and orders for several units have already been placed. The main facilities to be commissioned in 1974 include a coke-oven battery, two basic oxygen furnaces, each of 150 tons capacity, and two continuous bloom casting machines, each with a capacity of 40 000 tons a month. The mills equipment scheduled to commence operations early in 1974 will include a 1,600,000 ton billet mill, a 330,000 ton rod mill and a 500 000 ton bar mill. A medium mill of 400 000 tons capacity will be commissioned at the end of 1974. A wire works complex, with an annual capacity of 80 000 tons, is planned to commence operations by 1975.

Mining

The Corporation's iron ore mine at Thabazimbi, dispatched 1 731 027 tons of highgrade haematite during the year under review, most of which was consumed at the works in Pretoria. The Sishen iron ore mine supplied 3 366 283 tons of iron ore, of which 1 792 919 tons went to the Vanderbijlpark Works, 192 756 tons to the Pretoria Works and 912 380 tons to the Newcastle Works. A total of 456 401 tons was exported to Japan.

The Corporation's mine, The Durban Navigation Collieries (Pty.) Limited, supplied 785,359 tons of straight-coking coal. From the Uis tin mine, 1,258 tons of tin concentrate were dispatched and the Rosh Pinah zinc mine produced 37,636 tons of zinc concentrate.

Sustained and determined efforts continue to be made to cope with the skilled manpower shortage which threatens to become even more strained as the massive programme of extensions gets into its stride in the next few years. The full-time overseas mission working in Western Europe has more than justified its establishment and at the other end of the scale the Corporation's training centres annually turn out about 500 artisans.

I would like to congratulate Dr. T. F. Muller on his appointment as Chairman from 1st December, 1971, when my own term of office expires.

Fine Tubes dispute 'might have been averted'

BY ROY ROGERS, LABOUR STAFF

THE bitter 17-month-long dispute at Fine Tubes, Plymouth, might have been averted if management had approached the unions for a meeting, according to a Government inquiry report published yesterday.

Both parties in the dispute are urged to meet under the auspices of the Engineering Employers Federation, to negotiate a settlement quickly. Sanctions imposed on the company by the unions should be suspended during negotiations and any settlement should include moves towards re-employment of 49 "strikers."

Rejected

The Committee of Inquiry, headed by Professor A. D. Campbell of Dundee University, considered that the immediate cause of the dispute was the failure to resolve a pay claim made eight months earlier although the events that followed was just "the last episode in a long period of poor industrial relations."

This situation was caused in part by a tendency on the part of the company to miss opportunities for consultation with the unions and the establishment of good procedural arrangements was essential for future harmony at the plant.

The dispute began on June 15 last year when 165 members of the Transport and General Workers' Union and the Amalgamated Union of Engineering Workers went on strike after a £3-a-week pay claim had been finally rejected after eight months in the engineering industry procedure.

A few of the strikers returned after management sent dismissal notices and others have since found other jobs, leaving 49 who are still considered by their unions to be on official strike.

The strikers were angered when they learned that after rejecting their claim the management gave its workers a 9 per cent. increase retrospective almost to the date the strike started. Even after conceding this increase, to keep in line, it was said, with pay rates at the nearby dockyard, the company refused to meet the union representatives despite efforts by the Department of Employment, the EEF and the TUC. Management said they would not negotiate under the "duress of picketing and blacking."

Suspension of sanctions is suggested by the inquiry committee while negotiations take place, the first essential being that the remaining 49 strikers be offered re-employment as vacancies occurred in the company.

Predictable

This was "an essential requirement in the interests of future harmonious relationships," the committee said, but warned that existing employees should not be discharged simply to offer jobs to the 49.

The committee thought the strike was predictable and that there was enough evidence for the company, "if it wished to be cautious and to try to avoid the disruption of a strike, to have taken some initiative in approaching the unions for a meeting and not have waited upon events."

Last night national officers and shop stewards of the two unions welcomed the suggestion of speedy negotiations for a settlement and said they would be contacting the EEF.

However, it is understood that they are unwilling to lift sanctions before receiving a commitment from the company that "meaningful discussions" will follow.

Fine Tubes, a subsidiary of the Superior Tube Company of Norristown, Pennsylvania, U.S., employs over 200 on the manufacture of precision seamless metal tubes used in the aircraft and motor industries.

Report into the Circumstances of the Dispute Between the AUEW and the TGWU and Fine Tubes. SO, 24p.

ASTMS in new move at General Accident

By Roy Rogers, Labour Staff

THE Association of Scientific, Technical and Managerial Staffs is seeking help from the Department of Employment in its fight for recognition at General Accident.

General Accident management has maintained in the past that it is not hostile towards ASTMS and will negotiate with the union if it manages to recruit a majority of its eligible staff. Now ASTMS claims to have achieved that majority although its figure for the total of eligible staff is 1,000 below the management's 9,000 figure.

The Union of Insurance Staffs tried unsuccessfully to gain recognition at General Accident before merging with ASTMS some 18 months ago. It even managed to secure a favourable ruling from the Commission on Industrial Relations, but the management rejected a recommendation that it should grant consultative rights to the union.

Currently, the company deals with staff committees which are in the process of transforming themselves into a staff association with a view to seeking registration under the Industrial Relations Act. Management has already said it will recognise the new staff association.

Since the birth of the new staff association was announced last month ASTMS claims that 1,000 General Accident staff have joined the union taking its total membership there to above 4,000 and giving it a majority of the eligible staff.

After being approached by ASTMS, Department of Employment officials have been in touch with both sides and are understood to be trying to arrange a meeting. Failing a negotiated settlement ASTMS is likely to demand a ballot of General Accident staff.

Mr. Douglas Taylor of CBI dies

FINANCIAL TIMES REPORTER

MR. DOUGLAS TAYLOR, deputy director-general of the Confederation of British Industry, died on Tuesday after a long illness.

Born in 1915, he was educated at Manchester Grammar School and Oriel College, Oxford. After two years with a Manchester department store, he entered the Ministry of Labour in 1939. In the last war he served with the RAF in the Middle East, and was seconded to the Commonwealth Department of Labour and National Service in Australia from 1948 to 1951. Subsequently he served as Labour Attaché at the British Embassies in Athens and Rome, and was awarded the CMG in 1960.

In 1962 he resigned from the Civil Service to become international secretary of the British Employers' Confederation. Later he was the deputy director under Sir George Pollock.

When the CBI was formed in 1965 Douglas Taylor became its first director of labour and social affairs, and later its economic director. A year later he became the senior deputy director-general.

Successive presidents and directors-general relied heavily on his qualities of judgment and determination. His Lancashire shrewdness, humour and humanity won him the affection and deep respect of his colleagues, of CBI members and of a wide-ranging acquaintance in Government and other walks of life.

MP fights to improve rights of holidaymakers

MP for Blyth, has complained to Mr. John Davies, Secretary for Trade and Industry, of the Government's failure to intervene in the travel trade "in the light of this year's many holiday mix-ups."

He says the Association of British Travel Agents had always given an impression of running behind events in handling customers' complaints, of which the recent decision to set up independent arbitration tribunals was another example.

The holidaymaker may have fewer rights at arbitration than if no such protective cover was offered, he says.

In almost all cases, the travel firm would determine whether arbitration was applicable or not, and even then the suggestion had been made that a sum of £10 must be payable before a hearing was given.

Holidaymakers signing agreements on arbitration could well be stopped from seeking the aid of an MP, a Government department, or a lawyer to deal with their case.

He asks Mr. Davies if all the holidaymakers suffering the same conditions as a successful applicant will be granted compensation. He also wants to know how much compensation a holidaymaker would be entitled to if the holiday was not as promised in the brochure.

LES BUCK ON TUC GENERAL COUNCIL

Mr. Les Buck, general secretary of the National Union of Sheet Metal Workers, was yesterday elected to the TUC general council. He will take the place made vacant by the death of Mr. Alfred Roberts of the National Union of Vehicle Builders. The NUVB is now merging with the Transport and General Workers and no longer has a seat of its own on the council.

UNITED REAL PROPERTY TRUST LIMITED

Extracts from the Report and Accounts for the year ended 5th April, 1971, presented by Mr. Maurice Wohl.

	1971 £	1970 £
RENTAL AND SERVICE INCOME ...	1,639,809	1,595,775
NET REVENUE BEFORE TAXATION	937,444	956,495
NET REVENUE AFTER TAXATION available for distribution	576,609	551,475
DIVIDENDS (AFTER WAIVERS)	350,380	350,380
REVENUE BALANCE CARRIED FORWARD	1,139,692	892,622

Properties of the Group have been revalued by the Company's professional staff at 5th April, 1971, and in the opinion of the Directors show a surplus of £16,138,000 over the book value of £17,774,761 after deduction of minority interest.

Dividends of 15% payable for the year.

INTERIM STATEMENT

EVANS OF LEEDS LTD.

INTERIM REPORT FOR THE 6 MONTHS ENDED 30TH SEPTEMBER, 1971

Statement by the Chairman, Mr. H. C. Berens.

The unaudited results of the Group for the first 6 months of trading since becoming a Public Company are set out below.

	£	£
Gross rents etc. receivable	310,720	
Less Interest charges and other expenses ...	163,875	146,845
Nett Trading profit, including housing		43,365
Profit before taxation		190,210

Your Directors are pleased to report the above results and are confident that their profit projection for the year to 31st March, 1972 will be adequately covered.

An Interim Dividend of 6% will be paid, less Income Tax, on 16th December, 1971 to Shareholders on the Register on 25th November, 1971.

Mr. M. W. Evans is to waive his Interim Dividend.

SPARK HOLDINGS LIMITED

Engineering • Printing
Textiles • Merchanting

Sound Base for Future Growth

The following are points from the statement of the Chairman, Mr. John G. Lawson, covering the year ended 30th April, 1971.

Earnings after tax available for distribution amounted to £574,885 compared with £555,271 last year.

Profits before tax from the Engineering Division represent 88% of the Group total and at £888,461 are an improvement of £104,000 on the preceding year. Our air-conditioning businesses continue to provide the majority of the growth and account for nearly 50% of the profits of this division.

We look forward to our Engineering Division continuing to provide the bulk of our profits and a good deal of our future growth.

Capital and reserves now stand at £3,478,151 which gives a net tangible asset backing of 34.1p to each Ordinary Share.

A Final Dividend of 22½%, making a total of 37½%, is recommended compared with 35.4% (after adjusting for Scrip Issue) last year.

We welcome to the Board Mr. Nathan Cummings, one of the U.S.A.'s leading industrialists, whose presence will be of the utmost value in continuing our growth.

All in all, the Directors feel they have grounds for being optimistic about the future of the Group.

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INTERIM STATEMENT

John Folkes Hefo

Attributable Profits up 33%. Earnings per Share up 28%.

	First half 1971 £'000	First half 1970 £'000	First half 1969 £'000
Turnover	11,226	10,220	10,299
Pre-tax profits	761	599	505
Attributable profits	457	344	278
Increase	33%	24%	13%
Interim dividend	7.5%	7%	7%
Earnings per Share			
Basic	1.08p	0.81p	0.66p
Fully diluted	0.95p	0.74p	0.59p
Increase	28%	25%	12%
Pre-tax margin	6.8%	5.9%	4.9%

The increase of 33% in attributable profits has arisen from internal growth and reflects the increasing efficiency of the Group.

In previous years the profits earned in the second half of the year have been greater than in the first half.

An increased interim dividend of 7.5% for 1971, compared with 7% for 1970, has been declared and is payable on 15th February 1972 to Ordinary and Non-Voting Ordinary Shareholders registered at the close of business on 7th January, 1972.

John Folkes Hefo Ltd

MIDLANDS ENGINEERING GROUP

UNITED STATES TRUST INVESTMENT FUN

The September 30 Quarterly Report of the Unit States Trust Investment Fund (USTIF) has now b published and is being mailed to registered shareholders of the Fund.

Interested persons may obtain the Quarterly Rep of September 30 from:

Samuel Montagu & Co. Ltd.	Cazenove & Co.
114 Old Broad Street	12 Tokenhouse Yar
G.P.O. Box 525,	London, EC2R 7AN
London, EC2P 2HY	

or from the registered office of the Fund, at 14 rue Aldringer, Luxembourg.

The USTIF is invested primarily in U.S. securitie It is sponsored by the United States Trust Comp New York, at 45 Wall Street, founded in 18

UNITED STATES TRUST INVESTMENT FUND

MAN-ABELL HOLDINGS LIMITE

Interim Statement for Half Year ended 30th September, 1971

The figures below give your Company's position aft the first six months of trading in its financial year:—

Period	Gross Sales	Profit before finance, depreciation & tax	Nett profit before tax
Half year to 30.9.70	£1,166,600	£195,100	£80,800
Full year to 31.3.71	£2,268,000	£366,000	£124,000
Half year to 30.9.71 (subject to Audit)	£1,206,000	£193,400	£86,200

The six months under review shows that the recove in the fortunes of your Company is a continuing one.

One of the most satisfactory aspects of this progre is the vastly improved state of the Company's liquid Wilnecote Brick Company Limited is now proving itself valuable and profit-producing unit and the demand for i products has exceeded expectation.

I must always repeat that a hard winter, and mo especially long periods of rain, can however have serio effects on the final profitability of your Company. However bearing in mind this factor and our future order bo position, your Directors have recommended an interi dividend of 4%. Dividends and warrants will be poste to Shareholders on 17th December, 1971.

B. S. BARLOW, *Chairman.*

O.K. BAZAARS (1929) LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO SHAREHOLDERS

REPORT FOR THE HALF-YEAR ENDED 31st AUGUST, 1971.

GROUP RESULTS

The unaudited consolidated trading results of the Comp and its subsidiaries for the six months ended 31st August, 1 as compared with the corresponding period of the previ financial year, are as follows:—

	1971	1970
Sales	R110,260,000	R95,504
Group Trading Profit	4,904,268	3,709
Taxation	1,995,403	1,918
GROUP PROFIT AFTER TAXATION	2,908,865	1,790

Present indications are that, apart from unforeseen circumst improvement in profits will be maintained.

By Order of the Board,
J. B. PARNALL, Secretary.

Registered Office:	
O.K. Buildings,	
Eloff, Pritchard and President Streets,	
Johannesburg.	
Johannesburg Registrars:	London Registrars:
Rand Mines Limited,	Thomson, McLintock & Co.
The Corner House,	33 King William Street,
63 Fox Street,	London EC4R 9EE
Johannesburg.	
25th November, 1971	

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CYPRUS

FINANCIAL TIMES SURVEY

Vhere division is part ıf the scenery

ROBERT GRAHAM

· barricades along the ›n Line"—the line which ıtes the Greek and Turkish ɔt communities in Nicosia given a fresh coat of paint year. They have been re- ɛd so often now that they art of the scenery. Like ɛserted Turkish suburb of ıa with its ruined houses ɛ slogans daubed on walls g for union with Greece ›is), they have become *symbols of a divided com-* y. The Cypriots, it seems, learned to live with crises ıch as they have come to t the status quo. And ıgh aided by the flatter- elcome given to the visitor he very special charm of ıland, it is all too easy to t the potential explosive- ɔf the situation.

: atmosphere has eased lerably since the inter- unal talks began in 1968, ɔth Greeks and Turks face other throughout the : in aggressive military res. Sandbagged positions enewed or repaired and enlarged. Both sides con- to keep contingents from "mother" countries, and both local defence force s (950 for the Greeks and ɔr the Turks) are still ex- d. Nothing has dispelled ɛar in which the 120,000- ; Turkish community holds)0 Greeks. *If anything this* ıas hardened as the Enosis rm persists in being a ful reality in the island's ɛs. Equally nothing has mentally altered Greek ɪions of Turkish separat- nor have their misgivings ɛd over movement within urkish enclaves.

fact the two sides stick much to themselves. There *facto* partition, the Turks g withdrawn their deputies the House of Representa- and earlier their civil ser- . Apart from a few com- l services like electricity always water) there is sharing of facilities: the ity of Turks are still re- ıt to work in the Greek r—or political pressures them not to. The UN Peace ing Force does its best to life as normal as possible t is notable that in the past years the number of seri- *ous incidents* can be counted on two hands. Usually they are now dealing with incidents such as a goat straying or rights of way—trivial in themselves but always holding out the possibility of escalation.

Without doubt the UN presence, there since 1964, has been the greatest single factor in avoiding inter-communal strife. And there now seems a consensus among the leadership of both communities, in addition to President Makarios himself, that strife should be avoided at all costs. But if this is accepted neither side can produce the necessary initiative to restore the constitutional deadlock as to how the island's Greek majority and Turkish minority should be governed.

In this stalemate anything out of the usual can upset the uneasy calm. This was so last year when within a week there was an attempt to assassinate Archbishop Makarios and a former minister was murdered in mysterious circumstances. There followed a campaign by Archbishop Makarios to round up members of an extreme rightwing organisation, the National Front, arrests were made and the situation returned to "normal."

Now once again a certain nervousness has returned. This time it concerns the redoubtable figure of General Grivas, the former Eoka leader. In September, just when Archbishop Makarios was leaving for Athens, Grivas disappeared from his Athens home where he was supposedly under house arrest. He is believed to have landed in Cyprus. Since then no one has seen him although it is generally accepted that he is on the island. Whether on the island or not, reports that he is there have put a new complexion on Cyprus politics.

There has been a noticeable decline in the support for Archbishop Makarios and several *of his former supporters on the* Right wing of the Greek Community have been extremely critical. This has pushed the Archbishop further towards his alliance with the Left; and particularly in the wake of his visit to Moscow in June, there *have been attempts to associate* him openly with the powerful Communist Party, which commands some 30 per cent. of the electorate. Added to this relations between the Archbishop and the Athens Government have been strained as a result of moves by Premier Papadopoulos to force Makarios to hand over a settlement of the Cyprus problem.

The poor state of relations between Archbishop Makarios *and the Athens Government has* taken on a new dimension with the disappearance of Grivas. The Greek Government attitude has been ambivalent and at best *it could be considered neutral.* There is nothing to exclude a measure of collusion, perhaps at a low level with the Greek military, over Grivas' vanishing act. To support this, observers point to the absence of any condemnation of Grivas, even though he has been reported as forming armed bands in Cyprus. So long as Athens adopts this attitude the position of Archbishop Makarios is weakened.

Grivas himself must be regarded as the joker in the complex pack that makes up the Cyprus problem. The Archbishop has played his own cards astutely and has avoided any action so far which would alienate the considerable emotive support this veteran independence fighter enjoys. He is waiting for Grivas to act, hoping to give him enough rope to hang himself with. Yet while Grivas holds his hand, the island is plunged in uncertainty. The Grivas issue also arouses all the old Turkish fears about *the Greek Cypriots' desire for* Enosis. Grivas has always been closely associated with Enosis.

The extent of Grivas' support is difficult to gauge, as indeed it is almost impossible to divine the true feelings about Enosis because attachment to the idea does not necessarily mean commitment to the reality. However the importance of Grivas in all this is his ability to act as a catalyst for dissident right-wing elements.

Talks breakdown

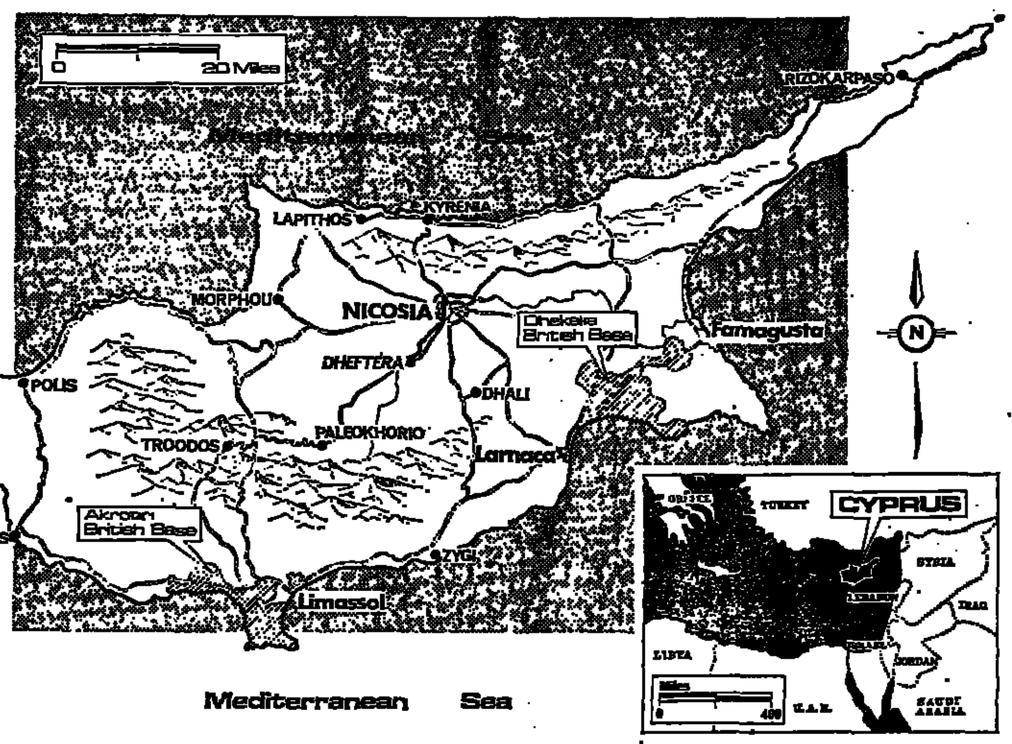
The dangers of the present situation are underlined by the *total* breakdown in the inter-communal talks. The two sides have not met for three months. Since they began in 1968 the talks have dragged on so much that *they have rather lost sight* of their original objective—to work out a replacement for the 1960 Constitution which was based upon the London and Zurich agreements. Instead they have become bogged down and their main use has been, as Glafcos Clerides, the Greek negotiator, pointed out, a high-level "liaison committee." Acting as such, both Clerides and his opposite number Rauf *Denktash have performed valuable work in keeping the crisis* off the boil. But a new initiative is needed to get round the present deadlock. The Turkish constitutional proposals in *effect call for a federal system*: there would be separate local administration, separate police, courts and education for both communities which would be guaranteed by the respective mainland forces. The Greeks reject the idea of external guarantees and argue that duplication of services would be costly, divisive and undermine the concept of a unitary State.

There is no doubt that with the advent of the Government of Professor Erim in Ankara the Turkish position has hardened. This does not mean to say that Ankara and Athens have rejected co-operation over solving Cyprus. It means rather that Professor Erim has encouraged the Turkish leadership at the local level to take a tougher stand. He has also probably given firmer undertakings if *anything were to prejudice* the Turkish community in Cyprus. The Turks certainly seem more encouraged to continue their separatist path on the island, backed as they are by Ankara to the tune of £9m. a year.

UN mediation

The *main hope for a new* lease of life in the inter-communal talks lies with the UN. The suggestion that a UN mediator should sit in on the *talks with "guidelines"* or "terms of reference" is now being mooted in New York. The success of such a move depends largely upon whether Archbishop Makarios is prepared to accept the presence of observers from Athens and Ankara at the talks. So far, he has vigorously opposed the idea of an imposed solution and his visit to Moscow was in some measure a gesture of independence from Greek and Turkish pressure. The issue is now on the Security Council agenda and it is hoped that some initiative might be taken soon.

Against this background the *issue of the British sovereign* base areas has been muted. The Archbishop is known to be unhappy about the existence of the bases which have nearly *9,000 Army and Royal Air Force* personnel and which occupy 3 per cent. of the island's territory. For the moment he appears content to reap the economic benefits. But sooner or later the issue is likely to be raised and the possibility of "doing a Mintoff" cannot be excluded. Nor can the existence of the bases be wholly dissociated from the inter-communal situation. In fact, given their strategic importance in the Eastern Mediterranean, they offer one further reason why so many people are interested in the future of this enchanting island.



BASIC STATISTICS

AREA: 3,572 square miles
POPULATION: 645,000
GNP (1970): £229.0m. (est.)
GNP per capita: £355
TRADE (1970):
Imports: £99.4m.
Exports: £45.2m.
Imports from U.K.: £26.1m.
Exports to U.K.: £20.4m.
TRADE (six months to June 1971):
Imports: £54.3m.
Exports: £18.0m.
Imports from U.K.: £13.4m.
Exports to U.K.: £14.2m.
RATE OF EXCHANGE:
£C1=£1.

Lifting potatoes near Morphou.

CYPRUS II

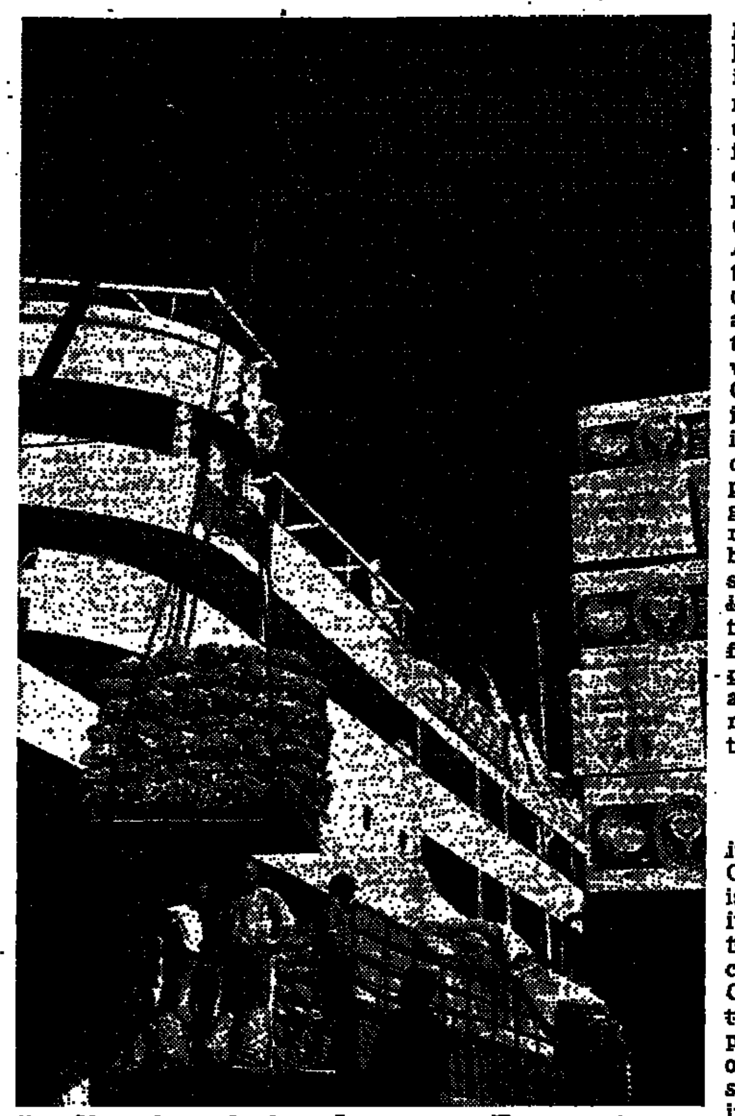
Economy remains buoyant—but management is cautious

By ROBERT GRAHAM

In spite of the delicate and sometimes tense political situation, the island's economy has remained remarkably buoyant, in particular, the relative calm of the past three years has witnessed a period of exceptional growth and very real achievement. The annual growth rate has averaged nearly 8 and 9 per cent., well above original estimates.

Indeed, at first glance the picture seems rosy enough. Per capita GNP has risen from £170 in 1960 to £355 in 1970 (and will probably reach £377 this year); the balance of payments has managed to achieve a small but increasing surplus each year in the face of a widening trade deficit; foreign reserves have now risen to £112m. (as of September) enough to cover nearly 14 months' imports; tourism is beginning to reach take-off point with over 160,000 visitors expected by the end of the year; and finally, growth has been occurred under conditions of full employment and without undue inflation.

Yet the picture does not end here. When talking about the economy of Cyprus this effectively means the activities of the Greek Cypriot community who are responsible for over 90 per cent. of the island's business. All the vital sectors are in Greek Cypriot hands and the boom of the past three years has been generated by them—and they have been the prime beneficiaries.



Loading citrus fruit and carrots at Famagusta.

Uncertain factors

In addition it must be stressed that the apparent health of the economy rests upon a number of uncertain factors. The island has a desperate water shortage, which makes the key agricultural sector very vulnerable. Exports cover under half the imports and the payments surplus has been due to an inflow of private funds and foreign military expenditure (principally from the British bases and support for the Turkish community from Ankara): in the long term neither of these sources can be counted on. The heavy dependence on imports also lays the island open to imported inflation. Fnally the increase in tourism, upon which the Government now sets so much store, and the maintenance of general business confidence, depends upon continued—and improved — stability on the island in particular and the Middle East as a whole.

The authorities are aware of these problems. In fact it is tempting to say that they are almost too aware because Government action in the economic field has been characterised by excessive caution. For instance, reserves have been steadily built up, almost doubling in five years. They are being kept against a "rainy day." The total external debt only stands at £15m. At the same time the development programme itself has set itself modest targets and has sought to avoid or minimise budget deficits (£2.5m. in 1969 and £0.8m. in 1970). The growth target of 6.8 per cent. in the Second Five-Year Plan, 1967 to 1971, was clearly an underestimate.

Government caution can also be seen in the way that the Central Bank exerts tight control over the banking system. Since 1968 the liquidity ratio of all banks has been above 25 per cent. By June this year it had touched 33 per cent. with total bank deposits of £133m.; and now the liquidity ratio is approaching the exceptionally high level of 40 per cent. With interest rates ranging up from 7½ per cent. money has tended to be kept in the bank or invested in property.

The same caution is evident in another aspect: in the authorities' attitude to Cyprus's potential role in the Middle East and the development of tourism. There is little doubt that tourism could have been developed more rapidly if the Government had let a number of outside interests have it their way; but they have been anxious to cushion the impact of tourism on the island as a whole. Equally there is a feeling in Government circles that the island is just not ready to play the role of a regional centre, for company headquarters, for conferences, for assembly plants, etc., which some would like to see. Archbishop Makarios himself dislikes the idea of too much foreign capital flooding into the island.

On balance it seems that this caution has not been without its dividends. Prices have risen on average around 2.5 per cent. a year over the past three years, with an acceleration this year to 3.5 per cent. If the economy had been expanded much faster during this time there would have been greater inflation and severe strains on the tight labour market. Unemployment, which was 6,990 or 3 per cent. in 1961 was down to 2,810 or 1 per cent. in 1970. Admittedly these figures refer to registered unemployed and do not include the number of under employed or the unemployed Turkish Cypriots. Nevertheless the labour situation is an important factor in determining future development. The population of 645,000 is only increasing at 1.3 per cent. per annum and there is still an emigration rate of over 2,000 annually.

New budget

The Government is currently preparing a new Budget and working on a new five-year plan, 1972 to 1976. While it seems that the brakes will be let off a little further, the authorities have yet to decide on the optimum rate of growth. During the 1967-70 period gross investment in fixed capital was £190m. while it is likely that a further £61m. sterling will have been invested by the end of 1971. Initially it has been suggested that some £366m. be invested during the next five-year period, which assumes a growth rate of over 7 per cent. However, the eventual figure could be closer to 8 per cent.

Unofficial and tentative estimates of investment during the new plan suggest that the biggest rises will be in the industrial sector (which includes manufacturing, electricity, gas and water). Approximately £124m. will be invested against £79m. There will also be substantial increase in funds for housing and Government buildings (£120m. against £85m.). These figures apply only to domestic fixed capital—as does the £366m. figure.

During the 1967-1971 plan period considerable attention has been paid to infrastructure improvements. The work carried out should enable a better utilisation of existing resources in the coming years. Indeed because Cyprus has few natural resources future expansion will depend much on this aspect. Agriculture is likely to remain the most important single sector of the economy for the foreseeable future. In 1970 production was worth £32.8m. which was nearly 18 per cent. of the GDP. With new investments and improved production methods, its share of the GDP should increase marginally in the new plan. Provisional estimates suggest agricultural production will reach £56m. by 1976. This is based on the assumption that small holdings will be merged into co-operatives, the traditional rotation system of cereal-fallow-cereal (which leaves 26 per cent. of the land fallow annually) will be curbed and new water sources being tapped.

Import initiative

The other sector to increase its share substantially of the GDP will be manufacturing. It is estimated that it will increase its share from 11.7 per cent. to 14.6 per cent. This rise could be more dramatic if Cypriot businessmen begin to turn their attention away from property speculation. In view of the widening trade gap, pressure is mounting for more initiative to establish import substitutes and to promote industries on a scale large enough to provide export capacity.

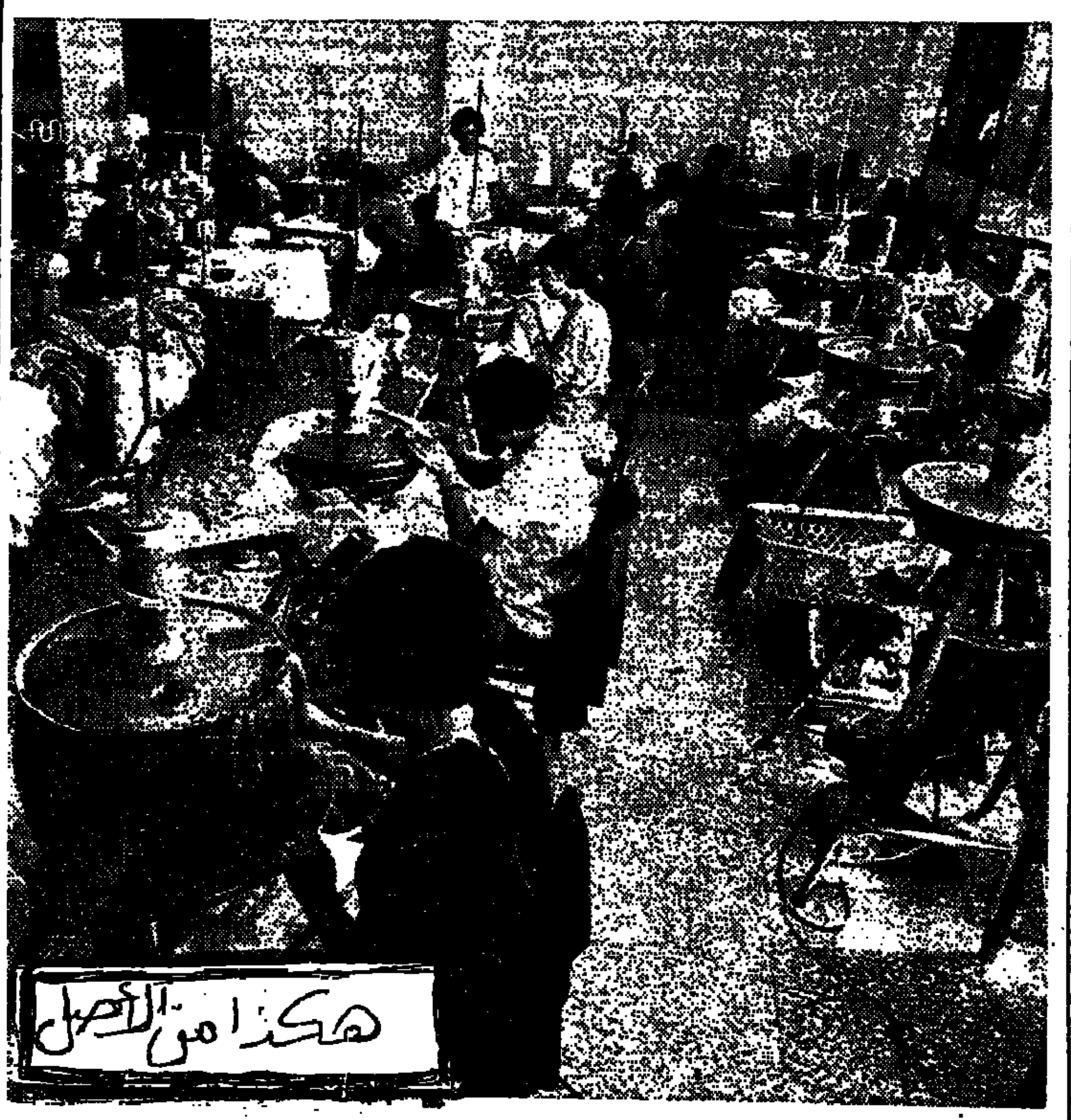
In 1970 exports were worth £42m. while imports were £86m. During the first half of this year, although exports increased at a faster rate (12.1 per cent.) and stood at £47.3m., the gap could well widen further because the mining industry is in decline. Minerals, principally copper ore and asbestos, have provided between one-third and two-thirds of export. Exhaustion of reserves means that earnings from this source could be cut to as little as one-eighth of total exports: a loss which will be hard to make up.

Cyprus trade position is also threatened by the entry of the U.K. into the Common Market. The U.K. absorbs 76 per cent. of Cyprus exports and Cyprus may well find that the Community may find itself unable to concede all the concessions now being sought in negotiations for associate membership.

The weakness of Cyprus' trading position is protected to a large extent by receipts of invisibles. These have grown from £39.8m. in 1967 to £59.9m. in 1970. The most important item here is £30m. coming from "foreign military expenditure." This refers to the sums spent by the British on their bases, the mainland Turks in support of the Turkish community and UN forces expenditure. The largest sum is British expenditure resulting from the use of the sovereign base areas (roughly £18m.) and the next most important is Ankara's support (in the region of £9m.). In spite of this there is a small deficit on current account, which is balanced by inflows of capital. Betweeen 1967 and 1970 net capital movements jumped from £3.6m. to £14.6m. The nature of these funds is not always identifiable due to free convertibility with sterling and the large number of Cypriots in London. The size of such unidentified funds last year was in the order of £4m.

The Government knows that it cannot count on such funds to keep flowing in nor is it willing to accept, at least emotionally, that the current account be bolstered by foreign military expenditures. Tourism is seen as the principal means of lessening this dependence. But tourist earnings are still small. They were £8m. in 1970 and should reach £11m. this year. Ideally the Government would like to see tourist earnings in region of £30m. by 1976 equivalent of foreign mil expenditure.

Although the developme tourism offers grounds optimism, one must conc any analysis of the econom a note of caution. The is does seem set for a fur period of rapid expansion. there are so many impo ables surrounding the poli situation that it will rec more than a degree of good tune if the economy can tinue to remain relatively lated from it and resilient.



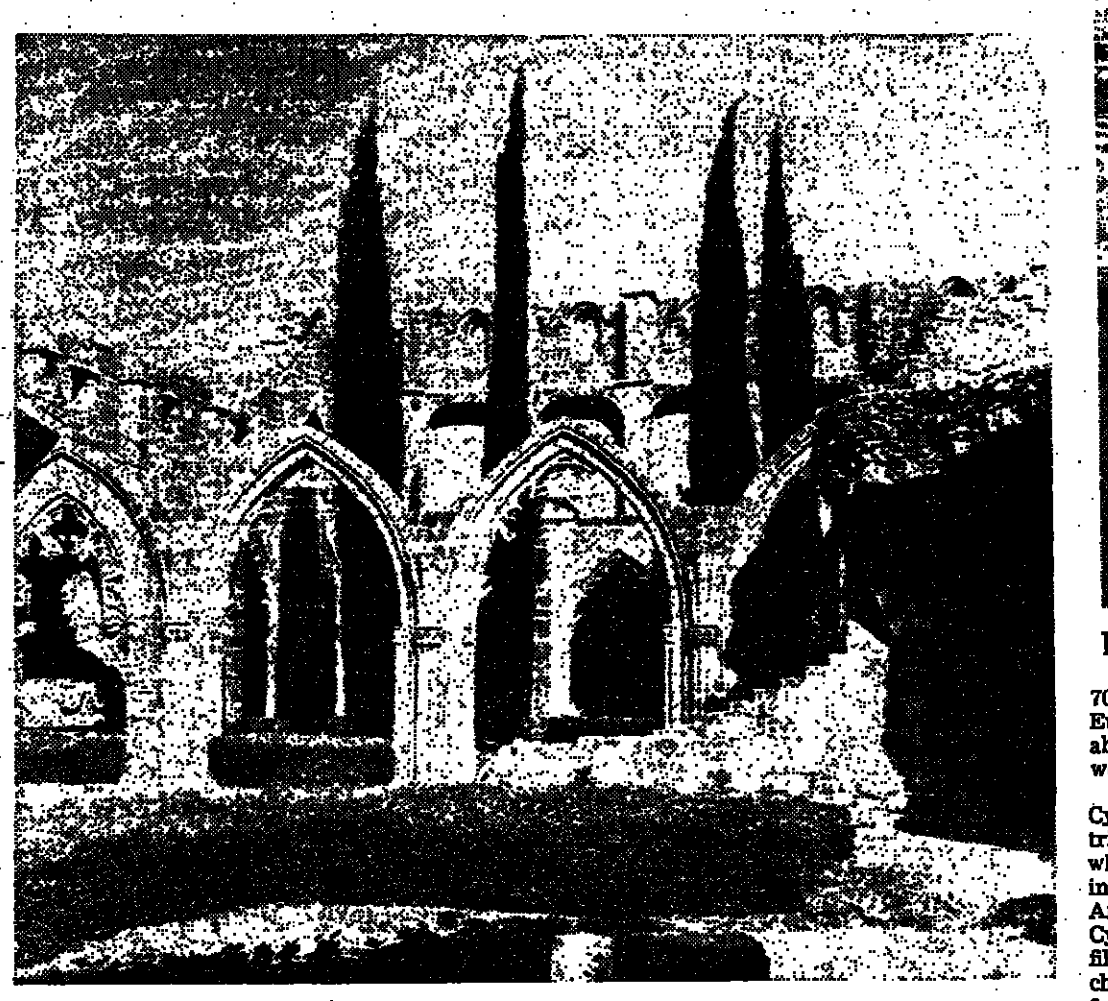
Linking trimmings on blouses at Trikoza Knitting Industries Ltd., Nicosia.

هكذا امن الأجل

CYPRUS III

Keeping the tourist boom under control

BY ARTHUR SANDLES



Ruins of Bellapais Abbey near Kyrenia.

...narch of Cyprus into the ... world of tourism is ... with mixed feelings on ... nd itself. In neither the ... ment offices of Nicosia ... sleepy coffee houses of ... vincial villages is there ... e ease about the tiger ... Cyprus may now have by ... With its fine beaches, ... al mountains, excellent ... nd a general mood of ... e, Cyprus is a natural ... destination. But al... attracting the holiday ... is profitable and gener... mployment, there are ... ntages. The tall hotels ... agusta hide the beach ... e road, and proud locals ... eer their guests away ... the scene. "It stands ... they tell you. "An ex... of what we must not do ... future."

...Famagusta is a consider... easanter place than some ... Spanish or Caribbean ... parts, and it is arguable ... ery tourist area needs ... mi Beach. Certainly the ... ng growth of this resort ... ght the Cypriots a sharp ...

...us is therefore embark... a policy of planned ... development which so ... ws signs of a successful ... least. Under the rule of ... Michael Colocassides, a ... l businessman whose ... fortune is based on ... ng Fords into the island, ... prus Tourism Organisa... flexing its muscles, in ... f being less than a year ... a full-blooded operation. ... ear the hotels of Cyprus ... graded and subject to ... inspection. Already ... rs are kicking slightly at ... plications of this scheme ... e grading work is now ... nd the lists will be avail... the public in the new ...

...he same time the rules affecting hotel building have been tightened up considerably. Although a general free for all remains on the Famagusta beach front elsewhere the island is zoned. The Government has cracked down heavily on anything remotely smelling of "high-rise" in most areas. Even the Nicosia Hilton is a relatively squat affair called affectionately "our baby Hilton" by the Cypriots.

This is not to say that hotel development in Cyprus over the next few years will not be considerable. Mr. Colocassides talks of 400,000 tourists or more coming to the island by the mid-seventies. This will mean doubling the present 13,000 beds in Cyprus (about 10-11,000 of them being to an acceptable international standard). To encourage this building the Government has the usual network of loans and tax holidays.

Already there are some quite big developments. Trust Houses Forte recently opened its Apollonia Beach Hotel at Limassol and THF is also associated with BEA in the massive Golden Sands project, which is Government-sponsored and will eventually be able to take 1,000 guests. Hallway Hotels will run a large international hotel being built by British contractors. This project and that at Golden Sands are comprehensive leisure complexes with an abundance of pools, restaurants, night clubs and shops.

At the moment it looks as if filling these beds is not going to be difficult. Getting a seat on an aircraft into or out of Cyprus these days (Cyprus Airways and BEA both fly Tridents there) is not the easiest of tasks as I have found to my own cost recently, and the competition for beds among tour operators is severe. The American travel business is showing interest in the island and Nicosia airport recently had the pleasure of receiving its first stretched DC-8 jet-load of American package tourists, nearly 300 of them, in one go.

Cyprus has a split view about these package visitors. It is seen as an inevitable feature of modern travel life, but the islanders have no intention of *following* Majorca down the road to concrete blocks, £10 week-ends and tea-bars. There is a determination to keep the price of holidays in the island high enough to make it an up-market offering but not so high that it deters custom. At the moment two weeks on the island costs upwards of £80, with the bulk of the custom a little over £100. The average British holidaymaker spends about £50 (basic) on a holiday abroad, *so for the moment, it* requires that slight additional financial effort which should help it to fight off the hordes.

The Cypriots look with respect at the way in which Portugal has "managed" its tourism in spite of living cheek by jowl with Spain.

The past year has seen a vast increase in the number of visitors from Germany as Turopa and Neckerman take an interest. Up to end-August this year there had been 6,000 German visitors compared with under 2,000 in the previous year. Next year the total looks like being 14,000. British custom, too, is surging, with a 24 per cent. rise in the first eight months of this year to 54,454. The island should have 140,000 long-stay tourists (unlike some destinations, Cyprus does not count transit and short-trip visitors).

Hotel workers

According to Mr. Colocassides, Cyprus can afford to be careful in controlling the boom. "*This is a prosperous island.* We do not need to fight desperately for tourists. We want people to come but we will make sure that tourism develops properly here." The Cypriots are particularly concerned, for example, that a rush of hotel building should not force up land prices and building costs to such an extent that life for the locals becomes intolerable. Similarly the labour market is not sufficiently well filled to supply a sudden boom in the demand for hotel workers.

But everything is not in Cyprus' favour, of course. There are times when the sand-bagged emplacements of the bronzed United Nations peace-keeping forces remind the visitor of Northern Ireland in the sun. The people are delightfully friendly and helpful (but the "everyone speaks English" idea is a myth, particularly out*side the big towns)* but the military presence is a reminder of Cyprus' unsolved community problems. Tourists might find the islands odd time zone difficult to deal with. It gets dark around five o'clock and the best part of the day is reserved for early risers—I went riding in the hills one day pre-breakfast and the temperature was around 70. Switching to central Europe time—probably unthinkable to the giant farm lobby—would ease the situation.

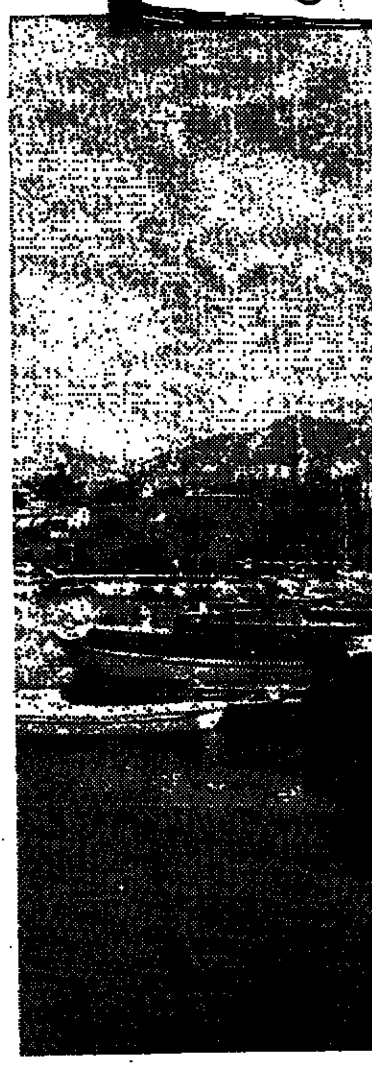
It is also irritating that Cyprus is one of the few countries in the tourist word to-day which actually enforces its driving licence laws. A British or American licence is not valid in Cyprus and there is some form filling, picture taking and a 50p charge to get a local one before you can drive your rented car.

But the big problem for Cyprus is competition. Throughout the Mediterranean the battle for tourists grows fiercer every day. Greece is spending large amounts of promotional cash on its tourism and is paying a lot of attention to the hotel developments needed to back up the campaign. Turkey, whose mountains are clearly visible from the Cyprus high points, has scarcely scratched the tourism surface and shows every intention of getting in on the travel act. Tunisia, Morocco and Israel are all relative newcomers to the tourism business but see in it a useful foreign currency potential. Add to this the already sophisticated tourist areas of Portugal, Spain, France, Italy, and Yugoslavia and it is clear that Cyprus is now operating in the big league.

However, the advantages of Cyprus are considerable. Being already commercially developed she already possesses the roads, power facilities and restaurant/*night club infra-structure which* are absent in other places. Even water supplies, always a problem on the island, are being better organised.

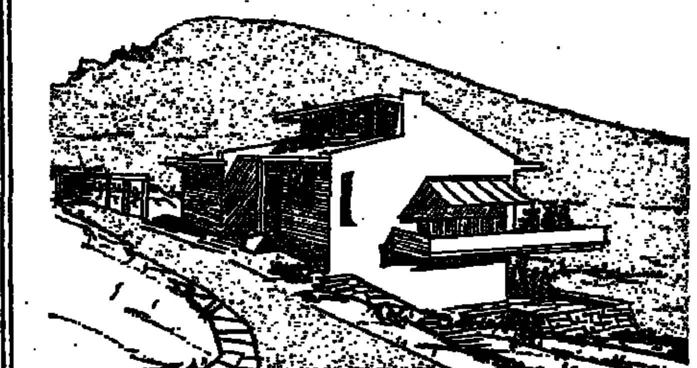
The other big plus for Cyprus is sophistication and shopping freedom in a relatively underdeveloped part of the world. It has been able to capitalise on the fact that once you leave Cyprus and head East you have to go for a long way before you reach anywhere with European-style shopping facilities that there are in Nicosia. While Europeans head for the beaches the Israelis and Lebanese head straight for the cities. It is also a useful linking place for anyone who wishes to visit Israel and an Arab country on the same tour.

Given continued community stability there seems no reason why Cyprus should not achieve its objectives in the field of tourism. The cool mountains of Troodos and the beaches of Famagusta, the night life of Nicosia and the extraordinarily extensive Greek remains of Salamis will stimulate the traffic. And the concrete teeth of Famagusta beach biting into the blue Mediterranean sky will continue as a warning to all of what could happen in other areas if mistakes are made.



Kyrenia Harbour.

Making pots near Famagusta.



CYPRUS IV

Brussels talks will set pace for exports

By a Correspondent

Exports from Cyprus are dominated by agricultural products which account for 58 per cent. of the total. In the five years from 1966 to 1970 agricultural exports increased by 64 per cent. from £14m. to £23m.

Citrus fruits, spring crop potatoes and carrots, carobs and wine and table grapes dominated farm exports, representing 85 per cent. of the sector's total. Citrus exports brought in £7.2m. potatoes £6.5m. and wine and grapes £4.9m.,

The U.K. is the major importer of these products, taking 90 per cent. of the potatoes and carrots.

Main vine products exported to the U.K. are wines of which the U.K. absorbs 76 per cent. of total Cyprus exports (with Cyprus being the third largest supplier of wines to the U.K. after France and Spain), and grapes, of which the U.K. absorbs 85 per cent. of total Cyprus exports. The U.K. also accounts for 38 per cent. of the exports of citrus fruits.

Harvesting grapes for export to Britain.

Assuming that in the forthcoming negotiations with the EEC, Cyprus is able to obtain appropriate terms, it is expected that exports to the U.K. will further expand. This is based on the fact that the agricultural commodities which have experienced the highest rate of growth during the period 1966 to 1970 (vine products, which are mainly wines and fresh grapes, 9 per cent., and citrus 3 per cent), have good prospects. Moreover, a new group of agricultural items which has great prospects in the U.K. market—and all other European markets—is that of off-season fruit and vegetables. The potential of Cyprus in the production of these commodities has not yet been realised to any great extent.

Trade agreements

Meanwhile, following her policy of diversifying her exports, Cyprus has, since 1961, concluded seven bilateral trade and payments agreements of a "clearing" type with East European countries. Up to the time of these agreements, trade between Cyprus and East Europe was on a very small scale and was carried out in terms of barter between Cypriot businessmen and the national trade organisations in those countries.

With the signing of the agreements, this trade has been put on an official basis, and has expanded substantialy. Some products, such as raisins and grape alcohol, whose sales in the more traditional markets for Cyprus products was meeting with difficulties, found an outlet in East Europe. Moreover, a market for certain manufactured goods was also found in East Europe.

The Cyprus Government has sponsored advertising campaigns in prospective markets, participated in trade fairs and exhibitions, and sent several trade delegations abroad to study on the spot ways and means of promoting exports. Foreign businessmen have also been invited to the Island to see for themselves the advantages of trading with Cyprus.

These promotional activities have borne results; total domestic exports jumped up from £27.2m. in 1966 to £39.2m. in 1970 (or 44 per cent. within a period of five years) and new markets other than the traditional ones are absorbing increasing quantities of citrus products and manufactured goods.

A planned course of action by the Government to make a break-through into the West German market was inaugurated last July when Cypriot exporters of sultana seedless grapes had, under Government co-ordination, each agreed to send certain quantities of sultanas to Germany. The results of this year's attempt to break into the German market have been encouraging and larger quantities of sultanas will be sent to that market next year.

Potatoes is another crop which Cyprus is trying to establish in the West German market. As Germany imports large quantities of early potatoes it is believed that Cyprus has a fair chance of getting a foothold there, assuming, of course, that the yellow-flesh potatoes preferred by German consumers can be produced in Cyprus. Preliminary work has been done on experimental cultivation of this type of potato and tests made of their cooking and tasting qualities in Germany. As from next year it may be possible for Cyprus to send small quantities of early yellow-flesh potatoes into the German market.

Rising deficit

A perennial problem facing Cyprus is the continuing rise in the trade deficit. Last year it reached £53m. (Imports £98m., exports £45m., including re-exports). The situation so far this year does not show any sign of significant improvement. Imports during the first eight months of 1971 reached £70.4m., while exports totalled only £34m., revealing a deficit of £36.4m. (The deficit is met by invisible receipts, mainly from spendings by foreign troops in the Island, and tourism.)

The Government is making efforts to narrow the gap by trying to boost exports, and by encouraging the establishment of local industries to produce substitutes for imported items.

The export of such locally manufactured items as shoes and ready made clothes is also increasing. A delegation from Zambia was in the island this month, in a bid by Cyprus to enter this African market.

But the future of the Cyprus export trade will depend to a high degree on the terms to be negotiated in Brussels in the next few months. The Council of Ministers of the EEC, meeting in December, is expected to authorise the Commission of the Community to open formal negotiations with Cyprus early in the new year, to discuss the signing of an agreement, leading to the island's association with The Six.

The outcome of these talks will indicate whether the Island's agricultural products will be able to enjoy tariff concessions for entry into the EEC countries similar to those enjoyed at present under the Commonwealth preferential treatment for entry to Britain.

It may also determine whether Cyprus will remain in the free world, or whether it will join the bandwagon of Russia, now seeking to increase its influence in the Mediterranean.

Ambitious plan to make island key travel centre

By a Correspondent

Although a small island, Cyprus has been a key communications centre throughout the ages at the crossroads of three continents. The Government hopes that Cyprus will continue this role in the age of the Jumbo jet. The island's "neutral" stand in the world and its good climatic conditions should help it in this respect.

Middle East "Peace" diplomats have been using Cyprus as a stop-over for trips between Israel and Egypt; hundreds of evacuees who left Jordan last year after the civil war were flown to Cyprus in transit to their home countries; and American or European pilgrims to the Holy Lands as well as businessmen often use Cyprus as a "base" for their journeys.

Air traffic has more than doubled since independence, but a lot has yet to be done to make Nicosia a communications centre of major importance and a truly international airport. However the groundwork has been covered. A new airport terminal was built three years ago and improvements are being continually carried out.

Despite complaints by the British Pilots Association, Cyprus authorities insist that all navigational aids required for the safe flow of air traffic have been taken. Nicosia Airport, they say, is provided with all the navigational aids prescribed in the Air Navigation Plan for the Middle East of the International Civil Aviation Organisation. The approaches to Nicosia Airport are clear of obstructions and terrain is not a problem nor does the ICAO Air Navigation Plan require special equipment to cater for periods of low cloud.

The Nicosia Flight Information Centre is connected by direct radiotelephone circuits with the airports at Athens, Ankara, Beirut, Lod, Damascus and Cairo. New VOR and DME equipment have also been installed. Aeronautical information at Nicosia Airport is now transmitted automatically through a computer within the framework of the new Aeronautical Fixed Telecommunications Network (AFTN) which was installed and commissioned in 1970.

As air transport grows and more and more is demanded of international airports, services of the Ministry of Communications and Works are constantly planning for the future. Already work is in progress on an extension of the main runway from 8,000 to 9,700 feet at a cost of about £2m. in order that aircraft can take-off with a full useful payload for non-stop journeys of up to 2,000 nautical miles. The runway will then be equipped with Instrument Landing System (ILS) despite the fact that this is not an ICAO requirement for Cyprus. The runway is already equipped with a Visual Approach Slope Indicator System (VASIS).

Parking apron

Work is also in progress to extend the aircraft parking apron to accommodate two additional large aircraft. Future plans are that the apron should be extended further to take another two aircraft and that the terminal building should be extended to cater for Jumbo operations.

Plans are also being prepared for the erection of a new joint air traffic control centre and the installation of surveillance radar.

The Government policy has been to increase scheduled services and to permit the operation of inclusive tour charter operations from tourist generating areas. Altogether 20 bilateral air services agreements have been concluded since 1960, making it possible for more than 20 foreign airlines to operate regular scheduled services to Nicosia, connecting Cyprus directly with the whole of the Middle East, most of Europe and a number of African countries.

Cyprus Airways, the national carrier, is also being used as an instrument to promote air transport and travel to Cyprus. The airline has been serving the island since 1947. In the beginning it operated only regional routes. The company abandoned operations in 1958 and, under an agreement, British European Airways undertook to provide the required air network on behalf of the company. In 1965, under a revised agreement with BEA, the company introduced its own local services by the operation of two Viscounts 806, still leaving the trunk routes to be operated by BEA.

In 1969 the company purchased one Trident Two aircraft and another in 1970, with which it operates scheduled services to Athens, Ankara, Beirut, Instanbul, Frankfurt, London, Cairo and Tel-Aviv. By 1972 it will acquire a third jet aircraft and a fourth by 1974. It is also projected that with the purchase of additional aircraft more points will be included in its itinerary, namely Paris, Copenhagen and Zurich or Geneva.

Meanwhile Cyprus Airways has established a subsidiary air company—Cyprair Tours, with a view to operating inclusive tour charter flights mainly from Europe.

Another way explored to promote travel to the island has been the establishment of a conducive fare structure. The policy in this respect has been to devise an appropriate fare structure to and from Cyprus bearing in mind the market requirements for the development of air traffic to the island. Thus far it has been possible to establish a variety of fares which include most types of promotional rates such as public excursion fares, individual and group inclusive tour fares, student fares, etc.

The effort and capital thus far invested in stimulating interest in Cyprus and in developing its air traffic and aviation in general has begun to return dividends.

20 airlines

Whereas in 1961 only six foreign airlines operated scheduled services to Cyprus, their number has to-day increased to 20. The number of public services (scheduled and non-scheduled) has also been increased from 6,427 in 1961 to 10,254 in 1970 and 8,359 in the first nine months of 1971 alone. Passenger traffic (arrivals, departures or transits through Nicosia Airport) more than doubled—from 168,000 in 1961 to 387,000 in 1970. During the first nine months of 1971 the number reached 399,000 passengers.

The Government has also spent £11m. since independence on improving the island's roads to cope with the steady increase of motor vehicles. It is also constructing, with the help of a loan from the World Bank, two new harbours at Limassol and Larnaca (at a sum of over £10m.) to help the development of the island's sea communications.

PRUS V

griculture: exports n the increase

HADJIPAPAS

excavations in eastern ndicate that cereal cul- was known to the inhabitants of the ereal cultivation is still arried out by the but it is declining in ce in favour of other l dryland crops such s, carobs and grain. are also being gradu- doned.

inistry of Agriculture profitability of some of ps is becoming increas- estionable in view of nuous rise in the labour d frequent adverse conditions. To alleviate tion, subsidies, in the price support, amount- about £3m., are paid to cereal and grape s.

ence agriculture has ompletely disappeared been replaced by a usiness" type of enter- ross domestic product nt factor cost from re (including forestry, and hunting) has in- from £15m. in 1960 to in 1970 (an increase er cent.). The agricul- tor is the largest con- (20 per cent.) to the omestic Product, and re maintains its tradi- le as the backbone of us national economy.

erable expansion has ace in the production fruits, potatoes, table d carrots, all of which tably exported, mainly the marketing boards Substantial progress been made in the pro- of deciduous fruits like eaches and pears; also nas, which enjoy re- ve prices locally. e production, especially early and out-of-season has made noteworthy both quantitatively and vely.

of the basic factors affecting future development of Cyprus agriculture is the availability of water for irrigation. In fact, the perennially irrigated land in Cyprus at present amounts to about 37,000 hectares or about 12 per cent. of the total cultivated area. Despite the small acreage, the irrigated crops contribute over 50 per cent. of the total plant production, and include all the high value export crops.

The question of water is therefore vital to the country's agricultural development. Ground water supplies in most of the island are fully exploited and in certain areas overpumping over the years has in fact lowered the water table to dangerous levels with sea intrusion occurring in a few isolated areas.

Water sources

Hydrological studies have failed to find new important water sources. To alleviate the situation, the Government has tried to control overpumping through legislation and to recharge the aquifer wherever this is technically and economically feasible.

Parallel with these efforts a dam construction programme was initiated during the early 1960s and is to be continued with increased momentum during the next 10 years aimed at bringing additional land under irrigation.

The Government is now going ahead with its plans for desalination, initially for domestic use, to relieve the pressure on ground water which could be used for agricultural purposes.

Other serious problems which agricultural development is facing at present are the rising costs of labour and the high degree of land fragmentation which prevents profitable mechanisation. Great emphasis is currently placed by the Government of Cyprus in the consolidation of the often scattered holdings into compact units, with access to farm roads and other facilities. This process has now started in certain areas of the island and it is looked upon with great expectations as it will not only ensure a reduction in production costs, through better mechanisation and better management practices, but it will also assist in the adoption of mixed farming.

Expansion in citrus planting has made this crop the most important agricultural export of the country. Last year's (1970) exports totalled 130,000 tons valued at £7.2m. This year it could reach £10m. The average value of citrus exports for the individual years 1960-63 was £2.3m. Of the citrus kinds, lemons and grapefruit realise very good prices while the prices of oranges remained more or less static and in some years have in fact shown signs of decline, reflecting the increasing availability of oranges on export markets.

Potatoes, which a few years ago held the first place in the agricultural exports, are still a very important crop, second only to citrus. Production and export of potatoes has been maintained at a constant level in the last few years. Total exports in 1970 were 160,000 tons valued at £6.5m. Corresponding average figures for production and value for the years 1960-63 were 64,000 tons and £2m. The potatoes are mostly exported to the United Kingdom.

Although the yellow-fleshed varieties, which Western Europe demands, can be grown, it has not yet been possible for Cyprus to penetrate this market for early potatoes.

Production of early table grapes has been steadily increasing. New areas have been planted in the south-east coastal districts which favour early production. Although a large proportion of this new planting is of the sultana seedless variety, the cultivation of earlier types such as Cardinal, Perlette and Gold is expanding. The quantity of table grapes exported in 1971 was 12,400 tons, of which 9,600 tons were sultanas. The total value of exports was about £1m. The average exports for the four years 1960-63 were 5,300 tons of a value of £330,000.

Average value

Exports of wines and spirits have shown significant increases. The average value of exports for the years 1960-63 was £608,000 while for 1970 it rose to £3m.

Although most vegetable production so far has been absorbed by local demand, export prospects appear to be promising. Trial consignments of, for example, courgettes, fresh beans, peppers, globe artichokes, aubergines, melons and water melons have been made in recent years to the U.K. and West Germany with favourable results. With the introduction of new techniques, including the use of plastic covers, it has become possible to produce many kinds of vegetables early in the season and supply export markets when prices are high. With the current programme of construction of new dams, new areas of land will be put under irrigation. A large part of this land will be devoted to the production of early vegetables which should eventually become an important item in the export trade of the country.

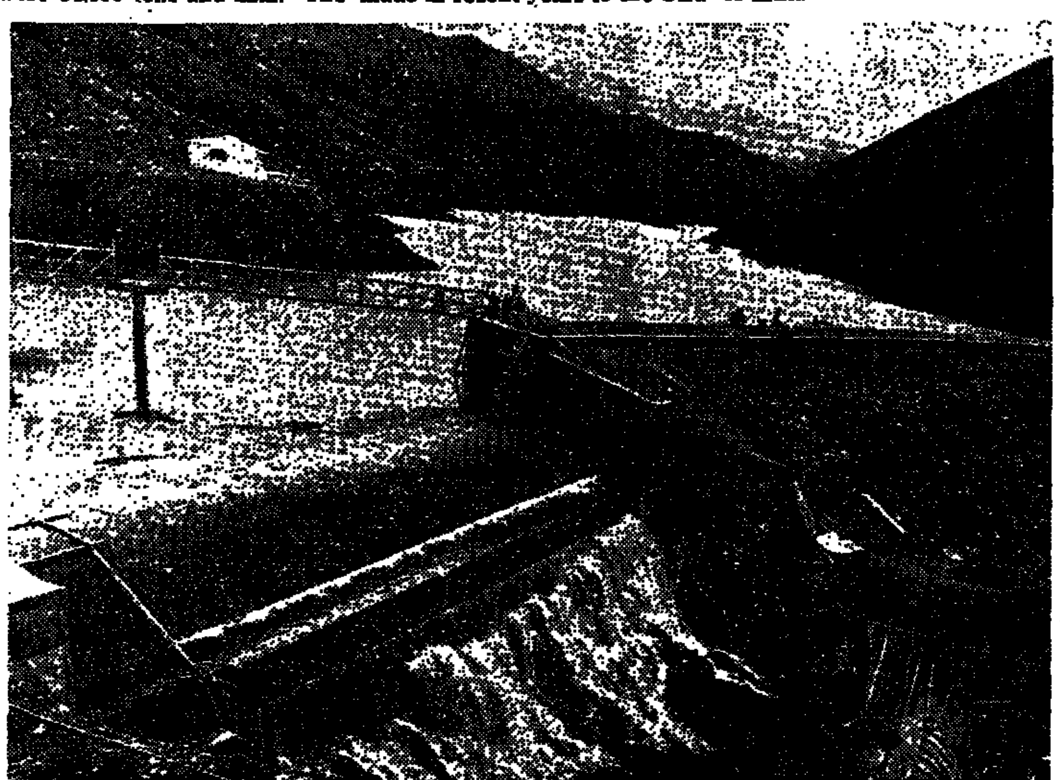
Milk products

In spite of the considerable development which has taken place in the animal husbandry sector in the last 10-15 years, meat and milk products to the value of £3m., are imported each year to meet the increased demand resulting from the rise in the standards of living of the population.

Production of poultry and pork—using modern techniques—meets the demand of the local market. Furthermore, export of breeding stock to neighbouring countries is already being undertaken with good prospects for future expansion. The supply of lamb, mutton, veal and beef is still, however, lagging behind requirements, causing prices for these kinds of meat to rise, at times, rather steeply. Cyprus is currently importing fresh lamb from Bulgaria.

The total value of all meat and milk products produced in the country in 1970 amounted to £17.8m. at farmers' prices as compared with a total of only £7.9m. in 1963.

Among the new developments in the livestock industry is the introduction and dissemination of two breeds of sheep, higher yielding both in meat and milk, particularly under improved conditions of feeding and management. The establishment of the Government Milk Industry Organisation in 1969 has safeguarded the milk producer from fluctuating prices and from the difficulties encountered in the disposal of milk.



A dam at Argaka in Paphos, which is being constructed to aid in the irrigation of crops.

Mining income likely to fall

By GEORGES DER PARTHOGH

Copper in Cyprus was first exploited by the ancient Phoenicians during the 3rd Millenium BC, although what is being mined to-day, with the exception of only two comparatively sizeable ore bodies, is the remnant left by the ancients, which is being rapidly exhausted.

To-day, there are eight mining areas in Cyprus, of which six produce sulphide ores—iron and copper pyrites; one is a chrome mine and the other asbestos.

Mineral exploration in modern times began just before World War I, and the first exports started a few years after that. Starting on a small scale at first, and with no interruptions except during World War II—when due to an acute shortage of shipping facilities, some companies turned to mining gold ore often found above the water table of copper ore bodies—production and exports have continued.

During the past twenty years the average value of minerals exported has fluctuated between about £9m. and £14m. per annum, a sum which represented between 32 per cent. and 67 per cent. of the total value of all domestic exports from Cyprus.

The aggregate value of all minerals exported during 1970 topped the £14m. mark and went slightly over it. This amounted to a little over 35 per cent. of the overall sum of all domestic exports of the same year. In contrast to this, the income from minerals to be exported during 1971, it is estimated, will fall to £10m. In fact this figure is expected to diminish gradually over the next four years and by 1976 it is expected to fall to around £6m.—that is less than half the value of the 1970 export figure, according to Senior Mines Officer, Mr. P. Petropoulos.

Mining experts here stress that these figures are based on forecasts which depend on the knowledge of ore reserves which have been proved to exist, and anticipated fluctuations in the price of copper. In the meanwhile anything might happen. New ore reserves might be discovered and the price of copper could well rise again to the favourable level of a few years ago. More drilling for oil is scheduled for the five-year period.

With the gradual depletion of the known copper ore reserves, the emphasis will shift more and more to chromium and asbestos. Chromium fetches a good price now, and the demand and price of asbestos is steady—improving, with good prospects for the future.

Asbestos mining is centred around Amiandos on the Troodos mountains in central Cyprus, and the indications at present are that the mine has enough ore reserves for many years. Its annual production is about 25,000 short tons—all of it exported with the exception of about 200 tons which is sold locally for the small asbestos-cement products industry.

Chromium ore

Chromium mining is also in the Troodos mountains. The mine has lately increased production to about 35,000 long tons of marketable ore. The ore reserves indicate a life of several years even if no new deposits are discovered.

The export of gypsum rock has declined since 1967 following the closure of the Suez Canal, as most exports went to the Far East.

The quality of granular iron pyrites produced is one of the best in the world. It contains very little copper, and it is free of arsenic and other impurities, thus giving high roasting efficiency at the roasting plants of Western Europe. Furthermore, the cinders from Cyprus pyrites are readily sold to the steel industry, being the purest in the market.

Unfortunately the market for iron pyrites has become rather difficult in recent years as a result of drastic reductions in the price of sulphur, both in America and in Europe. Most of the new plants in Western Europe use sulphur exclusively, while some of the older ones are being converted to its use as raw material for the manufacture of sulphuric acid. As a result of this changeover, coupled with over-production of local sulphur, the market for granular pyrites has been adversely affected. But the demand for it may pick up again.

Figures presently available indicate that by the end of 1978 or 1979, the island will, in all probability, be left with one mine only—the asbestos one, as well as with a good many million tons of low-grade copper ore which, due to current depressed prices, would be unprofitable to exploit.

This unhappy prospect has led the island's two main mining groups, the American-owned Cyprus Mines Corporation and the Cypriot-owned Hellenic Mining Company, to declare some workers redundant, and plan further dismissals in the future, while trade unions are clamouring for big compensation for employees losing their jobs.

The Hellenic Mining Company is also planning to set up a steel-chemical works to put pyrites into other uses, such as producing sulphuric acid and iron for the local building industry.

In the meantime, both the Government and private sector have embarked on intensive prospecting, spending large sums of money and using up-to-date scientific techniques in efforts to discover new ore bodies. They hope that these will replace the ones that are being depleted.

WALL STREET + OVERSEAS MARKETS

Mild rally before Thanksgiving Day

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Nov. 24.

A MILD RALLY developed on Wall Street to-day, but the close was well below the best in sharply reduced trading.

The Dow Jones Industrial Average finished only 0.66 up at 798.63, after rising 5.26 to 803.23, while the NYSE All Common Index regained 7 cents to $49.67. Volume fell by 4.97m. shares to 11.87m.

Working against a sustained upside move is the long Thanksgiving Day weekend, which starts to-morrow.

There was little news to help trading. Some analysts conjectured that the closed meeting to-day of President Nixon, Treasury Secretary Connally and Federal Reserve Chairman Dr. Burns may lead to some easing of tension on both the local and international fronts.

Analysts say margin requirements may have been discussed. Also, the meeting was timed so as to indicate that the President, Burns and Connally were outlining the position the U.S. would take in next week's Group of Ten meeting in Rome.

European currencies to-day strengthened on rumours that a devaluation of the dollar was imminent. Reports were based on part on the recent Reuss-Javits legislation recommending a 10 per cent. increase in the price of gold.

Mr. Connally previously indicated he intended to do no such thing and analysts here feel that a devaluation will not occur, althought they say it would be a welcome event.

"Glamours," Blue Chips and Banks finished mixed, after being mostly higher earlier, but Golds managed to maintain their gains.

IBM added $1¼ at $291¾ but Levitz Furniture slipped $⅝ to $94.

Occidental Pertoleum led the active list, but shed $⅜ to $10¾ on 204,000 shares—it received British approval to build an oil refinery there. Jersey Standard lost $¼ to $67⅞. Mobil slipped $¼ to $47⅜ and Texaco eased $⅜ to $29⅞, despite reports that negotiations between Libya and Western Oil firms are likely to get underway this month.

Canadian Oils rallied after being past few sessions on news that Canada will no longer allow natural gas sales to other nations in light of its own needs. Dome Petroleum added $1⅞ at $26¼, Imperial tacked on $½ to $28⅜ and Pacific Petroleum rose $⅝ to $25⅝.

Pfizer, the second most active stock, moved up $⅜ to $35⅞—yesterday it bought 92 per cent. of a privately held West German Pharmaceutical firm. International Chemical and Nuclear rose $⅜ to $19½—it bought two Brazilian Pharmaceutical companies.

Chrysler shed $⅜ to $25½, despite higher mid-November sales. Ford added $½ at $63¼.

Steels were helped by recent Press reports that the industry's 1972 profit prospects are bright.

Aluminium Company of America slipped $½ to $37½—it restarted one of three potlines at one facility.

Republic improved $½ to $4, following a loan extension.

Airlines closed mixed.

First National City added $⅝ at $41¼, but Chase Manhattan shed $¼ to $53¾ in a mixed Bank sector.

In Golds, Dome Mines put on $1 to $56¼ and American South African moved up $2 to $38¾.

The American SE index added 3 cents at $23.40 in a volume of 2.9m. (4.76m.) shares.

OTHER MARKETS

Canada better

Canadian Stock Markets were generally better in light trading yesterday. The Western Oils Index moved up 2.89 to 184.56. Golds rose 1.83 to 150.79. Industrials were mixed.

Up more than $1 each were Acquitaine of Canada, Freiman, Supertest, Asamera Oil and Dome Mines.

AMSTERDAM—Firmer, despite the overnight weakness on Wall Street.

In mostly fractionally higher Internationals, Royal Dutch rose Fls.2.6 and Hoogovens put on Fls.2, but Unilever edged lower.

In Plantations, Deli eased against the trend. Shippings ended narrowly mixed, Investment Funds were barely steady, but most Insurances rose. Local Industrials firmed in fairly active dealings.

Dealings resumed in Homburg, which closed at Fls.81, up Fls.16, compared with the previous close.

GERMANY—Markets closed little changed ahead of the Bundesbank Council meeting.

Steels were irregular, while Banks and leading Chemicals were also narrowly mixed.

Bonds were generally well maintained, with Public issues moving ¼ point either way.

PARIS—The market was mixed in nervous trading.

Oils and related shares weakened. In mixed Banks, CIC lost most of an early gain, but Credit National advanced. Foods eased slightly, but Stores were slightly firmer. Thomson-Brandt further improved Frs.1.5. but Signaux fell back.

Tyre issues firmed. In Steels, Chiers fell.

Norsk Hydro rose in the Foreign sector, and other European stocks were firmer with the exeception of Siemens. Free State led South Africans higher. Americans were hesitant.

MILAN—Market closed quietly easier.

In Financials, La Centrale fell Lire 280 on news of the sale by Hambros Bank of its controlling interest. Bastogi also were easier.

In leading Industrials Fiat were steady, while Olivetti firmed Lire 9. But Montedison, Pirelli Spa and Snia Viscosa were each off. Assicurazioni Generali further declined Lire 280 in Insurances. Mediobanca lost Lire 180 in Banks.

Bonds also eased.

SWITZERLAND — Markets firmed slightly on selective demand. Major Banks advanced, led by Bankverein. Financials and Insurances were narrowly mixed, while most interest was centred on Chemicals and Foods.

There was good demand for Ciba-Geigy, and Nestle were also better. Ursina continued to rise, while Alusiusse issues gained in otherwise neglected Metals and Engineerings.

In an active Foreign sector, Dollar stocks were mostly traded above New York parity.

OSLO—Banks were steadier, while insurances, industrials and Shippings were quiet.

Vienna — Well maintained, although currency uncertainty hampered trading. Veitscher Magnesit were weak and Schrauben were three points down. Lapp-Fintze, Manner and Reininghauswere were each higher.

Foreign shares improved.

COPENHAGEN — Generally easier in active trading.

STOCKHOLM—Firm trend.

JOHANNESBURG — Market firmed following the agreement on the Rhodesian issue. Dealers reported a large demand, especially from London, with a shortage of stock tending to push prices higher.

Most interest was shown in Mining Financials were JCI, Anglos and West Wits firmed. Golds were also higher.

TOKYO—Profit-taking caused some easing as dealers were cautious following Monday's upturn. Volume 180m. shares.

Electricals were generally easy, although Sony rose Yen 24. Machinery, Cements, Pharmaceuticals and Chemicals were all generally lower.

Constructions. Housing-related issues and Real Estates firmed, however, on reports of Construction Ministry plans to help private land developers to cope with the current shortage of houses.

AUSTRALIA—Some worthwhile gains were recorded among established Mining stocks, while takeover targets attracted most attention in the Industrial sector. Oils were narrowly mixed.

Carpet maker, Minister jumped 38 cents to $1.58 in the wake of a takeover offer worth $1.45 per share. Directors have advised shareholders not to sell.

BHP shed 2 cents to $9.26 bid—it closed its $50m. debenture issue oversubscribed by $10m. Beau Monde were quoted at $2.15 buyer after the accouncement of the $4m. saleof the London stores Melbourne City Property. Brolite traded at $1.35 after the directors said an Interstate buyer was buying into the company and advised shareholders not to sell their shares.

Poseidon dropped 80 cents to $11.20, despite its statement about Windarra. Hamersley further improved 19 cents to $2.42.

Westralian Sands closed at 36 cents, after sales at 32 cents, when the auditors qualified the accounts. Great Boulder eased 5 cents to 95 cents.

In Oils, Woodside were 3 cents lower at 85 cents after the Mid-East chairman's statement urging acceptance of the Woodside Burmah offer.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport ‡	Indus. *	Util. Φ	Trading volume† 000's
Nov. 24	72.55	208.96	798.63	102.03	11,870
23	72.57	208.43	797.97	103.42	16,840
22	72.59	211.82	803.15	109.85	11,390
19	72.46	215.82	810.67	110.91	12,430
18	72.47	218.75	816.35	111.07	13,010
17	72.67	221.50	822.14	111.29	12,840
16	72.52	221.26	818.71	111.39	13,300
15	72.88	221.68	810.63	110.91	9,370
12	72.62	223.04	812.94	111.42	14,540
11	72.61	222.89	814.91	111.61	13,310
1971 High	72.68 (15/11)	248.33 (7/8)	950.82 (28/4)	128.39 (19/1)	—
Low	68.52 (4/1)	169.70 (4/1)	797.97 (23/11)	108.03 (24/11)	—

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.32 (20/4/65)
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Nov. 22	Nov. 15	Nov. 14 1970
3.87	3.86	4.17

N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50.

1971 High	1971 Low	Wed.	Tues.	Mon.	Fri.	Thurs
57.76 (28/4)	49.60 (23/11)	49.67	49.60	49.97	50.47	50.78

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,689	721	651	317

1970/71	Wed.	Tues.	Mon.	Fri.	Thurs
New Highs	6	1	1	4	9
" Lows	158	357	201	189	82

AMERICAN SE ALL STOCKS AVERAGE

1971		Wed.	Tues.	Mon.	Fri.	Thurs
High 26.68 (28/4)	Low 22.72 (4/1)	23.40	23.37	23.55	23.78	23.82
Volume (000's)		2,900	4,760	3,460	3,200	3,930

STANDARD AND POORS U.S. STOCK INDICES

	*Industrial	†Composite
Nov. 24	99.57	90.33
" 23	99.36	90.16
" 22	99.97	90.79
" 19	100.86	91.61
" 18	101.44	92.13
" 17	102.36	92.35
" 16	102.08	92.71
1971 High	115.84 (25/4)	104.77 (23/4)
1971 Low	99.36 (23/11)	81.50 (4/1)

* 425 Industrials. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10.)

STOCK AND BOND YIELDS

	Nov. 18	Nov. 11	Nov. 4 1971
Industrial div. yield pc	3.10	3.07	3.51
Price-earning ratio	16.63	16.72	15.92
Long-term Govt. Bds. yield pc	5.61	5.64	6.63

TUESDAY'S ACTIVE STOCKS

	Shares traded	Closing price	Change on day
Occidental Petrlm.	189,800	11¼	−⅛
Union Carbide	177,100	39	−1½
Standard Oil N. J.	164,700	68½	−⅞
Kennecott	133,800	20¼	+½
Natomas	130,400	47⅞	+2½
Engelhd. Min.	120,300	19	−2
Polaroid	125,900	84⅝	−1⅝
Plessey Ltd.	125,500	2½	—
Am. Tel. & Tel.	112,800	41½	−⅛
PST Chart	109,200	23⅜	−⅛

TORONTO

INDUSTRIAL INDEX

Nov. 24	Nov. 23	1971 High	1971 Low
160.97	161.01	188.39 (20/4)	154.41 (2/11)

MONTREAL

INDUSTRIAL INDEX

Nov. 24	Nov. 23	1971 High	1971 Low
163.35	162.59	188.74 (21/4)	162.38 (23/11)

COMBINED INDEX

Nov. 24	Nov. 23	1971 High	1971 Low
164.17	163.80	185.02 (20/4)	133.90 (2/4)

JOHANNESBURG

	Nov. 24	Nov. 23	High	Low
Industrials	162.3	160.1	212.4 (9/4)	153.8 (8/11)
Golds	73.4	72.9	89.3 (19/4)	63.1 (26/10)

(1958=100.) Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on 50 Leading Stocks	Nov. 23	Nov. 22	Nov. 19
On Dividends	5.75	5.75	5.75
On Earnings	9.61	9.61	9.61

SYDNEY ALL ORD. INDEX

Nov. 24	Nov. 23	High 1971	Low 1971
406.18	405.02	518.51 (4/1)	405.02 (23/11)

TOKYO

Closed Nov. 23.

NEW SE INDEX

Base=100 January 4, 1968.

Nov. 24	+ or —	Div. %	Yield %
181.94	−0.17	11.90	3.30

	High	Low
1971	208.19 (13/8)	148.83 (5/1)

EUROPE

	Nov. 24	Previous	1971 High	1971 Low
Belg'm (m)	94.36	93.85	108.74 (30/7)	90.66 (9/11)
France (bb)	67.2	67.6	79.2 (28/7)	61.6 (8/11)
Germany*	89.28	89.19	112.71 (23/2)	87.61 (6/11)
Holland (o)	95.6	94.4	128.0 (8/4)	93.0 (22/11)
Italy‡	44.02	44.20	60.09 (5/3)	44.02 (24/11)
Sweden (p) *	291.85	289.66	292.98 (17/11)	245.71 (6/1)
Switz'rl'd **	372.4	368.4	412.9 (15/10)	346.2 (28/10)

*Herstatt Index. ‡ Base amended to January 2, 1962, from December, 1958. ** Swiss Bank Corporation Index base 100 December, 1968. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1958. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

MONEY + EXCHANGES

Plentiful credit

Bank Rate 5% (Sept. 2, 1971)

Credit was in free supply in the Discount market again yesterday and the authorities sold a very large amount of Treasury bills to the houses and banks in order to absorb the surplus. Above target bank balances was the main factor in the market's favour and it was also helped by a decline in note circulation and foreign exchange settlements. The gilt-edged settlement was against the market.

Money was on offer from the start and early rates for secured day-to-day loans were around 3¾ per cent., with 4 per cent. paid places. Funds were available 1-2½ per cent. by the close. In the inter-bank market overnight loans began at 4-4½ per cent., and touched 4½ per cent. soon after lunch. Closing rates were as low as ½-1 per cent.

Nov. 24	Sterling certificates of deposit	Inter-bank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposits	Inter-company loans	Discount market deposits	Treasury bills Φ	Bank bills Φ	Fine trade bills Φ
Overnight	—	½-4¼	2¾-5	—	—	4½-5	1-4	—	—	—
2-days notice	—	—	4¼-4⅝	—	—	4¾-5⅛	—	—	—	—
†7-days or 7-days notice	—	4-4¼	4⅜-4½	—	4⅜-4½	4⅝-5⅛	4⅛-4¼	—	—	—
One month	4⅝-4[illegible]	[illegible]-4½	4⅜-4⅝	4¾-4½	4½-4⅝	5-5¼	—	4½-4[illegible]	[illegible]	5⅛
Two-months	[illegible]	4½-4[illegible]	4⅝-4¾	4¾-4[illegible]	4½-4⅝	5⅛-5¼	—	4⅝-4[illegible]	[illegible]	5¼
Three-months	4¾-4½	[illegible]	4¾-4⅞	4¾-4[illegible]	4⅝-4¾	[illegible]	—	4¾-4½	[illegible]	5¼
Six-months	[illegible]	[illegible]	4⅞-5	[illegible]	5-5⅛	5⅜-5¾	—	—	—	5¾
Nine-months	5⅛-5	5-5⅛	5-5⅛	[illegible]	5⅛-5¼	5¾-6	—	—	—	—
One-year	5¼-5[illegible]	[illegible]-5¼	5¼-5⅜	[illegible]	5¼-5½	6-6¼	—	—	—	—
Two-years	—	5⅝-5¾	[illegible]-6	5¾-5[illegible]	—	8-8⅛	—	—	—	—

† Local authorities and finance houses seven-day notice, other seven-days fixed. * Nominal longer-term mortgage rates three-years 6⅞-6 15/16 per cent., four-years 7-7¼ per cent., and five-years 7⅜-7½ per cent. Φ Bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 4 23/32 per cent. and for four-month trade bills 5⅜ per cent. Approximate selling rate for one-month Treasury bills 4 5/16 per cent., for two-month 4¼ per cent., and for three-month 4 7/16 per cent. One to three months bank bills eligible for re-discount at the Bank of England were quoted for sale in places at 4½ per cent., one to three-month trade bills at 4¾ per cent.

Finance House Base Rate (published by the Finance House Association) 5½ per cent. from Nov. 1. Clearing banks' deposit rate (for small sums at seven-days' notice) 2½-3 per cent., and Base Rate for lending 4½-5 per cent.

Co-operative Bank Deposit: seven-day 3 per cent., one-month 3½ per cent., base rate 5 per cent.
C. Hoare & Co.: seven-day deposit 3 per cent. up to £25,000; 4 per cent. thereafter, base rate 5 per cent.

EXCHANGES AND BULLION

Sterling closed a little weaker against the dollar in London inter-bank dealings at $2.4935-$2.4937, compared with $2.4938-$2.4940 on Tuesday. The market was fairly active and from an opening rate of $2.4939-2.4941 the pound eased after some selling of the currency in New York. Euro-dollar rates showed little change, but forward sterling improved, with the 3-month at 1.05 cents premium, the 6-month at 1.10, and the 12-month at 0.45. A persistent selling of dollars was seen in favour of continental currencies. New floating phase highs were touched by French commercial francs at Frs.5.51 1/32, Dutch guilders at Fls.3.29 13/32. Belgian francs at Frs.45.95, and Swedish krona at Kr.4.97½. The German mark was much firmer, and the Swiss franc continued its upward trend to reach a new high of Frs.3.95 5/32.

Gold was fixed at $43.37½ (£17.392) in London in the morning and at $43.42 (£17.410) in the afternoon. Business was moderate and the closing quotation was $43.30-43.50, for a net rise of 10 cents. This is the highest closing quotation since the currency crisis began in August. In Zurich gold ended 15 cents higher at $43.35-43.50. In Paris the 12½-kilogramme gold bar was fixed at Frs.7,560 a kilogramme ($43.57 an ounce, up 16 cents at the financial franc exchange rate) at noon, and at Frs.7,570 ($43.62) in the afternoon. The one-kilogramme ingot was fixed at Frs.7,580 ($43.69 an ounce).

EXCHANGE CROSS-RATES

Nov. 24	Frankfurt	New York	Paris (c)	Brussels	London	Amsterdam	Zurich
Frankfurt	—	3.31-312	60.06-08	7.20-205	8.26-262	100.05-07	83.80-82
N. York	30 2112-62	—	18.135-145	2.1650-75	2.4935-4937	30.34-35	25.30-305
Paris.* (c)	166.26 49	5.5125-30	—	11.982-12.0	13.7446-7545	166.47-74	139.41-52
Brussels	13.87-½	45 95 98	8.36½-34	—	114.65-25	13.89-½	11.83-½
London	8.26-26	2.49[illegible]	13.74-75	114.60-70	—	8.21-22	9.85-86
Am'd'm	99.80½ 85½	3.30⅞-31⅛	60.04-09	7.20-½	8.24⅝-25⅜	—	83.74-79
Zurich	119.15-25	3.95-952	71.65-75	8.59-60½	9.855-868	119.23-43	—

U.S.$ on Montreal 1.00¼-1.00⅜. Canadian $ on New York 0.9972 75 (c) Commercial Milan on New York 612.583. Milan on London 1,527.95.

EURO-CURRENCY INTEREST RATES ◇

Nov. 24	Sterling	U.S. dollar	Canadian dollar	Dutch guilder	W. German mark	Swiss franc
‡Short-term	3¼-3¾	4⅞-5⅜	3½-3¾	1-1½	5 5½	0-⅛
7 days' notice	—	5¼-5¾	4½-4¾	1-1½	5 5½	0-⅛
Month	2⅞-3⅝	5⅜ 5⅞	5⅛-5⅜	4⅜-4⅞	4⅝-5	[illegible]-½
Three-months	5-5½	6½-7	6¼-6½	5⅜-5⅝	5¼-5½	1¾-2
Six-months	5¾-6¼	6½-7	[illegible]	5½-5⅞	5¼-5½	2⅝-2⅞
One-year	6⅝-7⅛	6½-7	6½-6¾	5⅝-6	[illegible]	3⅝-3⅞

Longer-term Eurodollar deposit rates were quoted nominally as follows: two-years 7 1/16-7 5/16 per cent., three-years 7¼-7½ per cent., four-years 7⅜-7⅝ per cent., and five-years 7½-7¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 5 11/16-5⅝ per cent., three-months 6⅞-6¼ per cent., six-months 6 15/16-6 13/16 per cent., one-year 7-8 15/16 per cent.

◇ Rates are in some cases nominal.

‡ Short-term rates are called for Sterling, U.S. dollars and Canadian dollars, and two-days' notice for Guilders, Marks and Swiss francs.

FOREIGN EXCHANGES

Nov. 24 1971	Bank Rate %	Day's Spread	Close
New York	4¾	2.49⅛-2.49½	2.49[illegible]
Montreal	4¾	2.49[illegible]-2.50[illegible]	2.49⅞-[illegible]
Amst'dam	5	8.20½-8.28½	8.21-8.[illegible]
†Brussels	5½	114 40-114.90	114 50-[illegible]
Copenh'gn	7½	17.83-18.05	17.98½-18[illegible]
Frankfurt	4½	8.24-8.29	8.25-8.[illegible]
ΦLisbon	Δ3¾	67.80-68.50	68 00 68[illegible]

[illegible]

OTHER MARKET RATES

[illegible]

FORWARD RATES

[illegible]

OVERSEAS SHARE INFORMATION

Investment $ Premium (based on $2.40 per £1) 20% (19⅞%)

NEW YORK

RAILROADS

INDUSTRIALS, ETC.

[illegible]

TORONTO

[illegible]

MONTREAL

[illegible]

PUBLIC UTILITIES

[illegible]

TRUSTS, BANKS & BONDS

[illegible]

GERMANY ◆

Nov. 24	Price Dm	+ or —	Div. %	Yld. %
A.E.G.	135.3	+0.3	16	5.9
Allianz Versich.	360	+3	12	1.7
Audi N.S.U.	226.1		—	—
B.M.W.	†153.5	+0.5	12	3.9
Badische Anilin	113.5	+0.2	22	—
[illegible]				

AMSTERDAM

[illegible]

PARIS

Nov. 24	Prices Frs.	+ or —	Div. Frs.	Yld %
Air Liquide	385	+1	10.23	2.6
Aquitaine	581	+5	13.64	2.3
Banque Indochine	266	+6	9.09	3.4
Beghin	155.8	+0.8	7.39	4.8
Boussois S.N.	994	+14	21.59	2.2
Charter Cons.	26.5	+0.4	g32	4.0
[illegible]				

BRUSSELS

[illegible]

SWITZERLAND ◆

[illegible]

OSLO ◆

[illegible]

MILAN

Nov. 24	Price Lire	+ or —	Div. Lire	Yld %
Alitalia Priv.	9,200	−200	—	—
ANIC	739	+3	50	6.8
Bastogi	1,724	−5	85	4.9
Breda	4,820	−30	142	2.9
Burgo	7,600	−50	315	4.1
Cantoni	9,600	+80	320	3.4
[illegible]				

TOKYO

[illegible]

STOCKHOLM

[illegible]

VIENNA

[illegible]

COPENHAGEN

[illegible]

AUSTRALIA

[illegible]

JOHANNESBURG

MINES

INDUSTRIALS

[illegible]

TOCK EXCHANGE REPORT

hodesia issues strong and gilt-edged in good demand

ading equities irregular and index eases 0.7 at 427.2

INT DEALING DATES

Option Declara- tions	Last Dealings	Account Day
Nov. 25	Nov. 26	Dec. 7
Dec. 9	Dec. 10	Dec. 21
Dec. 30	Dec. 31	Jan. 11

time " dealings may take place n. *three business days earlier.*

ern Rhodesia bonds stock markets yesterday ns ranging to £30 on news 6-year Anglo-Rhodesian was settled. Industrial ing issues with Rhode- nnections were promi- firm, especially Turner all which ended 9p better after 178p, and Globe enix Gold Mining, up 20p The other *major* feature e renewed strength in Funds; sentiment here ped by a rise of ⅜ in cial price of the long *stock*, and *widespread* up to £1 were seen as went for an early cut in ate, hopefully to-day. The nent Securities *index* rose re to 81.02, its highest ay 10, 1967.

firmness in equity leaders ot maintained in the of sufficient demand; noved narrowly and after *m. rise of 2.7 at 430.6*, off its "high" for the e Financial Times Indus- rdinary share index was 0.7 down on balance at After the recent sharp e *index* on last night's showing a rise of 24.4 r cent., since the start of count which comes to an morrow), the market in ders is pretty finely bal- the closing tone was nervous ahead of to-day's Rate decision and ICI's arter statement. The pattern of price changes *ixed with rises in F.T.-* equities outnumbering 11-to-8 (5-to-3 on Tues- he week's fifth newcomer. Radio, closed with a pre- f 16 on the issue price of ter an active business. gs of 14,106 compared with 13,201 on Tuesday and 12,907 a week ago.

Boosted further by hopes of a reduction in Bank Rate, British Funds moved ahead strongly on a broad front yesterday. Sentiment was also helped by a fresh increase, in two stages of ½ and ½ to 96½, in the long "tap" stock, Treasury 8 per cent., 2002-2006. Demand for mediums and longs was again very good with prices pushing ahead to close with gains ranging to a full point, while a large turnover in the shorts left *this section with gains extending* to as much as ½. Elsewhere in fixed interest stocks the limelight centred on **Southern Rhodesian** bonds following news of the settlement; after opening around 20 *higher prices eased back* by about 5 before moving ahead in the course of a hectic two-way business to close with rises ranging to 30 on the day, awaiting news of details of the agreement. Rhodesia 5 per cent., 1975-80, finished 30 up at 65, while the 2½ per cent., 1965-70, at 73, and 4½ per cent., 1987-92, at 65, rose 25 and 27 respectively.

After a slow start, business in the investment dollar market improved and the premium closed ⅝ higher at 20 per cent.

Fidelity Radio made a lively debut, opening at 97p and reacting to 85p before closing at 86p, compared with the offer for sale price of 70p. Elsewhere in New Issues, **Oil Exploration** became a quieter market and eased 3p to 58p on profit-taking.

Home Banks higher

Having opened with fresh gains *of up to 10p, Home Banks then* retreated 6p to 8p, but later firmed again to finish up to 8p higher on the day, as in Barclays, 590p. Among continuing firm Merchant Banks, Hambros appre*ciated 11p to 323p, while rises of* about 5p were registered by **Burston Group**, 111p, and **Bryanston Finance**, however, fell afresh to 62½p, before ending a net 5½p lower at 70p. **Cedar Holdings**, 108p. **Wintrust** finished unaltered at 128p, after 132p, on the half-time statement. Hire purchases showed little change, but **Refuge Securities** came back 4p to 82p on profit-taking after news *of P. R. Grimshawe's acquired* stake in the company. Insurances closed narrowly mixed. In Brokers, **Minet** closed 10p up at 350p, after 352p, on their Rhodesian interest. **Fenchurch** added *8p at 90p.*

It was a quiet day in Breweries and prices closed little altered. **Scottish and Newcastle**, however, hardened 2p to 92½p, helped by *news of the proposed increase in* beer prices, while **S. Webster** responded to further buying in a limited market with a rise of 24p to 335p.

Building issues, particularly contractors, made good progress helped by the Government move to counter unemployment by bringing forward planned public spending. **Taylor Woodrow** moved *up 9p to 309p. Bovis 10p to 242p*, and **Wimpey** 8p to 225p; the last-named were helped by talk of another property revaluation. **R. Costain** became active and jumped 15p to 234p, after 237p, *on news of the merger talks with* **Hanson Trust**, which closed 2p better at 179p. **Drury Holdings**, a firm market of late, closed 12p better at 92p; it was announced after-hours that the company was having discussions with **Orme Developments**, 8p higher at 130p, which might lead to a merger. Also on the bid front, **Purle Bros.** came back 8p to 226p, while **Redland** were a shade easier at 131½p. **Ready Mixed Concrete** were unchanged at 142p. In response to Press comment, **Bristol Plant** improved 2½p to 19½p.

I.C.I. moved narrowly to close 1p off at 294p, after 299p, ahead of to-day's third-quarter's figures.

Stocklake below best

Another small day's business in leading Electricals left prices a few pence down, but **Philips' Lamp** staged a recovery to 460p for a rise of 17p. After the previous day's 10p advance, *Stocklake* moved ahead further to 160p on the Rhodesia settlement news, came back to 150p and ended 3p higher on the day at 153p. **Dewhurst and Partner "A"** improved *2p to 11p, but Pifco "A" receded* 20p to 380p.

House of Fraser were notably dull in Stores at 203p, down 5p, after 201p. **Thomas Marshall** *hardened 2p to 140p ahead of to-*day's interim results. **Maple** reacted 10p to 118p following the interim figures. Mail Orders tended lower under the lead of **Freemans (London)**, which ended 4p off at 202p, after 200p. In Shoes, **J. White** moved up 3p to 53p in response to Press comment, while **Lotus** were 6p to the good at 76p.

Engineerings took on a firmer appearance, although demand was very selective. **Tube Investments** made early headway to 433p before closing 5p higher on balance at 428p, but **Metal Box**, at 372p, lost 4p of the recent recovery. Helped by "after-hours" buying, mainly for the new Account, **Amari** gained 5p more to 116p; the *interim results are expected shortly.* Trading announcements helped **Greenwood and Batley** rise 7p to 55p, **Frederick Cooper** 2p to 40p and **James H. Dennis** 1p to 13p. After opening easier at 135p on the second-half caution, **Spear and Jackson** rallied to end 2p better on the day at 138p. Others to close firm included **Spooner Industries**, 65p, **Staveley**, 60p, and **Vokes**, 66p, all with about 4p rises, but on the reduced first-half profits, **Dover** fell 4p to 23p. Further speculative buying raised **C. H. Bailey** ⅜p to 7p in Shipbuildings.

Wm. Cory weaken late

On the half-yearly profits setback **Wm. Cory** reacted sharply from a House close of 360p to end *34p down on the day at 326p.* In contrast, news of the Rhodesian settlement prompted a rise of 9p to 175p, after 178p in **Turner and Newall**, while **Cape Asbestos** advanced 12p to 167p. Still on disappointment with the interim statement, **National Carbonising** fell further to 126p before picking up to close 6p off on balance at 130p. Demand in a thin market left **Robert Warner** 20p up at 510p, *while Powell Duffryn responded* to the increased half-yearly profits by rising 12p to 149p. Following the rejection of the bid from **Sears Holdings**, **Wm. Hill** shed 6p to 139p.

Liverpool Grain became prominent, jumping 55p to 180p following news of the approach from **Consolidated Commercial** which might lead to an offer; the latter closed 4p higher at 90p. **Banks Hovis** hardened ½p to 134p on the proposed bread price increases, while **Geo. Bassett**, still reflecting the interim figures, picked up 3p more at 134p.

Awaiting the outcome of the Boardroom meeting, **Trust Houses Forte** were 2p lower at 163p, after 167p, while **Allied Breweries** held steady with the Ordinary at 119p and the Deferred at 107p. *Butlin's* met with speculative demand following Press comment and moved up 2p to 18½p, while *Norfolk* Capital were 4p better at 43p.

Motor Distributors and Garage shares revived after the recent lethargy. **British Car Auction** gained 5p to 108p and **Bristol Street** 4p to 136p, while **Kenning** improved 2p to 91p following the indication of possible record profits this year. **Camden Group**, a firm market of late, hardened to 48p on the good results.

Two good features developed late in Properties. **Scottish Metropolitan** spurted to 131p, a rise of 12p on the day, and **Town and Commercial** moved up to 145p for a net gain of 8½p, in both cases bid speculation was a factor. Elsewhere, **Second City** rose 4½p further to 41½p and, on the full report, **Land Investors** gained 10p to 140p. Following the higher dividend forecast, **Property and Reversionary "A"** advanced 7½p to 172½p. Of the *few dull spots*, **Star** closed 3p down at 220p, after 218p.

Ebonite Container improved 3p to 27p in response to the increased first-half profits, but **Transparent Paper**, at 27½p, gave up Tuesday's 3p rise which followed the interim results.

Burmah in demand

Burmah claimed most of the attention in Oils, rising progressively on increased institutional buying to 393p before a close of 390p, up 12p on the day; the Warrants rose 5p to 118p. In the wake of this movement, **British Petroleum**, 562p, and **Shell**, 315p, rose 4p apiece; in yesterday's issue the price of British Petroleum was inadvertently given as 358p. **Royal Dutch** were also a better market at £16⅜, a gain of ⅛.

Trusts again showed a firmer tendency. **American Trust** improved 5p to 256p and **Rothschild Investment** 8p to 452p. **Giltspur** *Investments*, however, came back 6p to 168p on the interim figures. Among Financials, **Abercom Investments** were a good market at 185p, up 11p, while **Kniton Investments** gained 7½p at 135p.

Ocean Steam react

Ocean Steam came back 4p to 129p after Tuesday's sharp rise on *bid speculation. Other Liner* Shippings also turned easier, with **P and O Deferred** losing 2½p at 174p. **Felixstowe Dock** provided a bright spot with an advance of 12p to 224p.

Sentiment in Tobaccos was initially helped by the Rhodesian settlement, but prices came back later to show little alteration on balance. A good business was seen in "Imps," which ended ½p better at 86p, after 87½p. "Bats" were a relatively quiet market and closed unchanged at 309p, after 315p.

Teas were a little steadier, but **Longbourne** *still* lost 5p more to 145p and **Deundi** another 2p to 28p. **Jetinga Valley** were a firm spot in Indian Teas at 39p, up 4p, while **Pelmadulla** added 5p at 152p in Ceylon issues. In the African *section*, **Ruo Estates**, improved 2p to a year's peak of 47p on the *increased dividend and profits.* Rubbers were looking quietly firm. **Anglo-Indonesian Plantations** ended 2½p better at 32p *following* the Indonesian Government's agreed compensation terms for the Java estates.

Globe & Phoenix up

News of the Rhodesian settlement caused an upturn in the majority of shares of companies with Mining interests in that country. **Globe and Phoenix** put *on 20p at 106p, while the copper* producers **Coronation** (55p) and **MTD (Mangula)** (98p) were both some 5p higher. **Messina** added 12p at 190p and **Falcon** 3p at 38p.

Gold shares *moved ahead*, assisted by Continental buying and the trend in the Cape; the bullion price, which closed at $43.40, was at its highest since early August. **West Wits** jumped 35p to 575p and *West Drie rose* 15p to 895p.

Among Financials, **Anglo American** were 4p up at 228p, while **Rand Selection** put *on* 15p at 440p. **Selection Trust** staged a recovery of 15p to 440p, while **CAST** added 2p at 132p.

"**Zamanglo**" were 6p higher at 176p owing to Continental buying *and, in front of third-quarter* dividend, **Paiabora** put on 10p at 285p. **Nchanga's** second quarter figures came after market hours.

Australian issues were firmer in places although business continued at a reduced level. Irish interest added some 4p to both **Pacific Copper** (52p) and **Whim Creek** (115p). **Poseidon** were unaltered at 530p following denial *of reports that the company was* delaying its start of production. **Western Mining** were 5p harder at 100p.

FINANCIAL TIMES STOCK INDICES

—	Nov. 24	Nov. 23	Nov. 22	Nov. 19	Nov. 18	Nov. 17	A Year ago
Government Sec.	81.02	80.56	80.41	80.48	80.55	80.55	68.55
Fixed Interest	79.68	79.16	79.02	79.05	79.06	78.99	70.49
Industrial Ordinary*	427.2	427.9	421.5	420.9	427.4	420.5	327.5
Gold Mines	49.1	48.8	48.9	47.9	47.6	48.6	53.7
Ord. Div. Yield pc	3.74	3.73	3.78	3.78	3.72	3.77	5.16
Earnings Yield pc (a)	5.83	5.82	5.89	5.90	5.81	5.88	7.24
P.E. Ratio (a)	17.16	17.19	16.97	16.96	17.22	17.01	13.81
Dealings Marked	14,106	13,201	13,398	12,790	12,899	12,907	8,466

*10 a.m. 430.6 11 a.m. 427.4 Noon 428.1 1 p.m. 427.7 2 p.m. 427.4 3 p.m. 426.6

(a) Based on 40% corp. tax from March 30, 1971. Latest Index 01-246 8025

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	81.02 (24/11/71)	68.85 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	79.68 (24/11/71)	69.63 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Ind. Ord.	430.6 (7/9/71)	305.3 (4/3/71)	521.9 (19/9/68)	49.4 (26/5/40)
Gold Mines	61.3 (18/5/71)	43.5 (26/10/71)	100.0 (12/9/55)	43.5 (26/10/71)

S.E. ACTIVITY

—	Nov. 24	Nov. 23
Daily—		
Gilt-Edged	225.0	224.2
Industrials	531.7	475.6
Speculative	167.0	154.8
Totals	321.1	300.5
5-day ave—		
Gilt-Edged	207.7	203.6
Industrials	489.6	478.7
Speculative	161.9	163.2
Totals	302.2	296.7

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942. † Corrected figure.

THORISED UNIT TRUSTS (p★★★)

§ Yield %

Abacus Management
Hall, Manchester 2. (061) 832 5027

	38.0	40.0	......	3.00
Units	30.5	32.7	......	3.00
Units	32.3	34.3	......	7.00

Allied Hambro Group
psgate EC2 Billericay 01-588 2851

(a) (b) (e) Equity & Law Un. Tr. M.
Amersham Rd., High Wycombe, Bucks. Tel. High Wycombe 32815

Equity & Law Unit	48.0	50.5	—0.1	2.49

Family Fund Managers Ltd.
18, Coleman Street, London. E.C.2. 01-606 7611

The Family Fund	61.9	65.2	+0.6	2.20

(a) Mallet & Wedderburn Ltd.
82, Lombard Street, E.C.3. 01-626 1091

(b) Overseas Units	23.8	25.4	......	1.96

Metrop. Exempt Fund Mngrs. Ltd.
18, Coleman Street, E.C.2. 606 7611

Met'tan Ex'mpt Fd	100.6	103.4	+1.5	—

Price Nov. 25. Next dealing Dec. 23.

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, E.C.2. 01-588 4000

Capital (Nov. 23)	103.5	106.1	......	2.05
(Accum. Units)	108.4	111.1	......	2.05
Income (Nov. 23)	116.2	119.1	......	4.68
(Accum. Units)	125.5	128.7	......	4.68
General (Nov. 24)	61.5	63.3	+0.7	2.56
(Accum. Units)	63.6	65.5	+0.8	2.56

OFFSHORE AND OVERSEAS FUNDS (p★★★)

§ Yield %

Albany Management Co. Ltd.
Utility Hs. PO Box 463, Hamilton, Bermuda

Albany Fund Ltd.	£4.80	£5.17	......	1.00

Amer. Express Inv. Mngmnt. Co.
154, Edward St., Brighton, U.K. BR1685411

Am Ep'ss Int. Fd.	$7.86	8.37	—0.10	—

Anchusa Co. Ltd.
P.O. Box 195, Hamilton, Bermuda.

Japan Gwth. Fnd.	US$8.24	8.79	+0.22	—
Do. Do. Stg. Trt.	88.0	90.0	+2.0	—

Australian Selection Fund N.V.
Lond. Agent, Southern Cross Mgmnt., Ltd. 65, London Wall, E.C.2. 01-638 0601

U.S. $10 Shares	US$6.20		......	—

Next subscription day Nov. 25.

Banque de l'Union Parisienne

Ebor Management (Jersey)
37, Broad St., St. Helier, Jersey. 0534-20591

Channel Cap.	114.5	121.8	+0.6	1.10
Channel Island	70.9	75.0	+0.7	4.38

Eurosyndicat Group

Eurunion Lux F.	1,697	1,765	......	3.57
Finance Union Lux F.	423	440	......	3.86

For Sterling Dealing prices contact London Agents N. M. Rothschild & Son, Ltd., 626 4356, Hill Samuel & Co. Ltd. 628 8011

Fidelity Mangmnt. & Research Co.
Boston, Massachusetts

Fidelity Trend	$21.94	23.98	—0.10	2.54
Do. Capital Fund	$10.94	11.96	—0.11	2.92

Fidelity Mangmnt. & Research (Bermuda) Limited

Jardine Fleming & Co. Ltd.
22, Pedder Street, Hong Kong.

JardineEast'nFd†	HK$146.38		......	2.73

NAV Oct. 29. Next sub. day Nov. 30.

Jardine Japan F.	HK$131.44		......	1.52

NAV Oct. 29. Equiv. $U.S.22.50 Ex$pm. Next sub. day Nov. 30.

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, E.C.2. 01-588 4000

Amer. Inv. Nov 17	$12.77		......	2.35
Ch'pside$FdNov22	$10.98		—0.11	—
Trafalgar (Oct. 31)	$111.92		......	0.44

Security & Prosperity FD Dst. S.A.
P.O. Box 515, Zurich 8027, Switzerland

INSURANCE, PROPERTY, BONDS

§ Yield %

[illegible]

STOCK EXCHANGE DEALINGS from the Official List for Nov. 24

Wednesday, November 24	14,106	Monday, November 22	13,398	Thursday, November 18	12,599
Tuesday, November 23	13,201	Friday, November 19	12,790	Wednesday, November 17	12,907

The list below gives the prices at which bargains done yesterday by members of the London Stock Exchange were recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ϕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (1,045)

INTERNATIONAL BANK STOCK (1)

FREE OF STAMP DUTY

CORPN. & COUNTY—U.K. (238)

PUBLIC BOARDS, ETC.—U.K. (29)

FREE OF STAMP DUTY

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (186)

COMMONWEALTH CORPN. STOCKS (4)

FOREIGN STKS., BDS., ETC. (7)

U.K. AND COMMONWEALTH RAILWAYS (9)

FOREIGN RAILWAYS (3)

BANKS & DISCOUNT COS. (438)

Allen Harvey Ross 685
Arbuthnot Latham Hldgs. 290 85 7 80
Aust. N.Z. Bkg. Grp. 254 50 7 2 5
Bk. Ireland 362ϕ 80ϕ. 7pcLn. 78ϕ
Bk. N.S. Wales (Lon. Reg.) ($A2) 314ϕ 15ϕ
Bk. Nova Scotia (Rec. Mkg. Nms.) ($C2) £14.20ϕ
Bank of Scotland 494ϕ 5ϕ 502
Barclays Intl. 7½pcLn. 88¼ϕ ¼ ½
Barclays Bank 584ϕ 6 90 86‡ 4 8 5. New Ord. 585ϕ 90ϕ 84 90. 8¼pcLn. 95½ 6 5¾ 6½. New 8¼pc 97 6½ ¼
British Bank of Commerce (25p) 110ϕ 8 9½ 10
Burston Gp. (25p) 105ϕ 9 10 8¼
Canadian Imperial (Mkg. Nms.) ($C2) £16.81
Cater Ryder 343
Cedar Hldgs. (20p) 108ϕ 9 7
Commcl. Bank of Australia ($A1) 102ϕ 40 4 1‡
Commcl. Bkg. Sydney ($A1) 97
Commerzbank Certs. (Dm.10) 580
Dalton Barton Secs. (50p) 545ϕ 30 40 30‡
First Finsbury Tst. (10p) 36ϕ 8
Gerrard Natl. Discount (25p) 273
Gillett Bros. 290 5 85

BREWERIES & DISTILLS. (330)

CANALS & DOCKS (26)

COMMERCIAL, INDUSTRIAL (8,442)

A—B

Bridport-Gundry (20p) 35
Brierleys Supermarkets (10p) 80
Bright (John) (25p) 35½
Brigray (5p) 13½ϕ 15¼
Bristol Plant (10p) 18½ 19 18¾ 19¾ ½ 16¾ 19¼ 18 ¼ 20
Bristol Street (20p) 135. 7pc1stMt.Db. 79ϕ. 8¼pc1stMt.Db. 97ϕ
Brit. Aluminium 3pcMt.Db. 81ϕ
Brit. Amalg'd Metal Inv. (25p) 75ϕ 3
Brit.-Amer. Tobacco (Reg.) (25p) 313ϕ 10ϕ 2ϕ 8ϕ 15ϕ 12 15 9 10 14 9½ 8 11½ 11 12½ 8½ 10½. 5pcPf. 58½.

C—D

Dobson Park Industries (10p) 48¼ϕ ½
Doland (G.) (10p) 20 ½ 19½
Donaldson Textiles 5pcPf. 67
Doncaster (D.) (25p) 61½
Dorada Hldgs. (25p) 81ϕ ½ϕ 2 79
Douglas (R. M.) (Contractors) (25p) 145 4
Doulton (25p) 84½ϕ 4ϕ 3½
Dowding Mills (5p) 55ϕ
Dowgate General Inv. (5p) 14½ 15 14¾ ¼ New 15ϕ
Dowty Grp. (50p) 129ϕ 8 9 8½. 7pcLn. 108¼ϕ 8ϕ 7½ϕ 8½ϕ ½ 7½ 8
Drake Cubitt (25p) 59½ 9 60. 10pcDPf.

E—F

G—H

Hodge (5p) 34 ¼ 3¾
Hoffnung (S.) (25p) 203ϕ 4
Holliday (10p) 57
Hollis Bros. E.S.A. (25p) 56ϕ ½ 6
Holt Products (10p) 38½ϕ 40 ½ 39½
Homfray (25p) 110. A Ord. (25p) 99ϕ 100½
Honda Motor European Deposit 151ϕ
Hoover A Ord. (25p) 510ϕ 7ϕ 5ϕ 2ϕ 11 5 3 6
Hope (Thomas) Sankey Hudson (25p) 51 50
Horlicks 4½pcDb. 85

I—J—K

L—M

Mint Birmingham (25p) 84ϕ
Mitchell Construction (25p) 295 2. New 9½pcDb. (£25 pd.) 25¼ϕ 6 5¾
Mitchell Cotts (25p) 48 ¼. 7½pcLn. 94ϕ
Mitchell Somers (10p) 19¾ϕ 20½ ¼ ¼
Mixconcrete (25p) 127ϕ 8 Do. New 128½. 7½pcLn. 101ϕ
Modern Engineers Bristol (25p) 32ϕ
Monk (A.) (25p) 110
Monsanto Textiles 5pcLn. 80
Moores Stores (25p) 32 2 ½
Morgan Crucible (25p) 119ϕ 21
Morgan Grampian (25p) 175ϕ

N—O—P

Q—R—S

T—U—V

W—Y—Z

ELEC. LIGHTING & POWER

FINANCIAL TRUSTS, ETC.

GAS (9)

INSURANCE (283)

INVESTMENT TRUSTS

F.T.—ACTUARIES SHARE INDICES

e indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

QUITY GROUPS / PS & SUB-SECTIONS (parentheses after sectional names show number of stocks)	Wed. Nov. 24, 1971 Index No.	Day's Change %	Est. Earnings yield % (with 40% Corporation Tax)	Est. Price/Earnings Ratio	Div. yield %	Tues. Nov. 23 Index No.	Mon. Nov. 22 Index No.	Friday Nov. 19 Index No.	Thurs. Nov. 18 Index No.	Year ago (approx) Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
TAL GOODS GROUP (184)	162.84	+0.2	5.85	17.09	3.64	162.59	161.74	161.92	162.67	113.93	162.84 (24/11)	103.03 (2/3)	181.50 (19/8/68)	82.82 (25/5/60)
raft and Components (3)	139.29	−0.1	7.61	13.14	4.48	139.44	137.34	138.70	139.23	87.76	139.44 (23/11)	66.40 (3/3)	280.12 (23/9/65)	66.40 (3/3/71)
ding Materials (29)	172.89	+1.2	4.67	21.88	3.16	170.92	170.79	171.05	170.79	97.56	172.89 (24/11)	98.30 (2/3)	172.89 (24/11/71)	85.01 (25/6/62)
racting and Construction (20)	282.74	+2.2	4.85	20.63	2.17	276.76	275.75	274.16	273.59	174.28	282.74 (24/11)	152.63 (25/3)	282.74 (24/11/71)	84.39 (27/6/62)
ls. (ex. Elctrn. Rad. & TV) (13)	285.94	−1.9	4.98	20.06	2.91	291.44	287.36	286.05	291.18	199.98	291.44 (23/11)	174.32 (2/3)	335.11 (17/9/68)	84.71 (25/6/62)
neering (79)	139.37	+0.2	6.70	14.92	4.34	139.06	138.53	139.22	139.93	109.66	149.28 (28/7)	102.56 (2/3)	160.85 (19/9/68)	82.90 (26/6/62)
ine Tools (15)	66.24	+0.3	7.18	13.94	6.05	66.02	65.77	65.71	66.39	60.20	68.30 (13/8)	43.86 (5/3)	136.70 (4/7/66)	43.86 (5/3/71)
ellaneous (25)	136.89	−0.2	7.87	12.71	4.34	137.17	137.06	137.34	136.88	108.59	137.34 (19/11)	94.19 (2/3)	144.27 (31/1/69)	69.01 (8/11/65)
UMER GOODS ABLE) GROUP (57)	184.75	−0.2	4.35	22.98	2.87	185.10	182.87	183.57	184.09	127.61	185.10 (23/11)	117.33 (2/3)	197.87 (15/1/69)	79.16 (25/6/62)
tronics, Radio and TV (14)	188.57	−0.3	3.92	25.49	2.33	189.13	186.57	186.47	187.24	143.87	199.14 (23/9)	128.51 (2/3)	199.86 (19/8/68)	71.10 (6/11/66)
sehold Goods (15)	210.48	+0.2	5.60	17.85	3.30	210.16	210.30	210.06	210.87	120.82	210.87 (18/11)	115.92 (8/3)	210.87 (18/11/71)	86.65 (28/6/62)
rs and Distributors (28)	130.39	−0.2	4.47	22.37	3.36	130.61	128.79	130.10	130.23	83.77	130.61 (23/11)	73.91 (2/2)	170.59 (15/9/59)	75.92 (24/10/62)
UMER GOODS -DURABLE) GROUP (174)	166.70	−0.2	5.44	18.37	3.66	166.97	164.91	164.91	166.04	120.66	172.37 (14/9)	118.17 (5/4)	172.37 (14/9/71)	83.71 (8/11/66)
veries (20)	188.50	+0.1	5.33	18.76	3.42	188.35	186.17	186.85	188.18	133.81	205.23 (14/9)	123.30 (4/1)	205.23 (14/9/71)	80.39 (30/8/66)
es and Spirits (7)	166.12	−0.1	6.10	16.38	4.22	166.31	165.10	166.87	168.57	140.38	196.05 (14/7)	142.41 (4/1)	196.05 (14/7/71)	118.78 (15/6/70)
ertainment and Catering (16)	238.65	−0.1	5.49	18.20	3.07	238.86	230.68	231.07	232.18	177.47	241.53 (19/10)	177.99 (2/3)	241.53 (19/10/71)	80.11 (23/7/62)
d Manufacturing (24)	145.80	+0.1	5.47	18.29	3.76	145.63	144.69	144.48	145.84	102.01	149.58 (14/9)	98.74 (2/3)	171.54 (31/1/69)	95.98 (15/6/70)
d Retailing (17)	156.43	—	5.14	19.47	3.25	156.45	156.39	155.04	154.62	98.94	160.89 (23/9)	100.23 (2/3)	163.58 (7/3/68)	94.62 (27/5/70)
spapers and Publishing (15)	157.45	+0.1	5.26	19.01	4.46	157.33	156.70	155.59	155.42	101.64	157.45 (24/11)	101.66 (15/1)	184.86 (23/1/69)	81.74 (23/7/62)
kaging and Paper (16)	114.64	—	6.73	14.86	4.51	114.59	113.07	112.87	114.65	99.98	125.27 (8/9)	88.81 (2/3)	134.63 (2/1/69)	87.91 (25/6/62)
es (29)	158.05	−0.3	4.33	23.08	3.03	158.57	157.06	157.10	158.28	109.68	164.88 (24/9)	104.48 (2/3)	164.88 (24/9/71)	78.74 (8/11/66)
tiles (21)	178.24	−1.5	6.39	15.66	4.82	180.54	177.02	176.09	177.50	135.47	183.27 (7/8)	137.81 (2/3)	253.72 (17/9/68)	89.90 (20/7/62)
acco (3)	232.78	+0.3	9.38	10.66	5.67	232.00	225.15	224.88	227.22	181.90	254.47 (27/7)	170.92 (20/1)	305.02 (30/1/69)	94.34 (13/6/62)
s and Games (6)	53.08	+0.4	0.98	102.53	2.92	52.84	52.49	52.62	53.95	61.74	69.03 (12/1)	44.90 (9/9)	135.72 (16/1/70)	44.90 (9/9/71)
ER GROUPS														
micals (19)	178.00	−0.7	5.56	17.97	3.70	179.32	176.39	174.41	176.87	135.96	200.29 (7/9)	138.18 (10/2)	201.92 (31/1/69)	83.29 (26/6/62)
ce Equipment (10)	170.79	−0.7	3.85	26.01	1.75	172.07	171.11	170.05	170.75	141.08	212.06 (16/7)	163.52 (15/2)	212.05 (16/7/71)	109.12 (26/5/70)
pping (10)	340.71	+1.0	7.36	13.59	4.80	337.41	331.64	330.80	331.22	312.02	340.71 (24/11)	269.76 (16/4)	355.44 (9/10/70)	90.80 (28/6/62)
cellaneous (unclassified) (44)	197.75	−0.2	5.33	18.76	3.48	198.08	197.53	197.19	197.22	133.44	198.08 (23/11)	128.55 (2/3)	198.08 (23/11/71)	76.52 (8/11/66)
USTRIAL GROUP (498 SHARES)	172.06	−0.2	5.42	18.45	3.53	172.33	170.54	170.58	171.41	—	176.61 (14/9)	120.61 (2/3)	176.61 (14/9/71)	120.61 (2/3/71)
(2)	300.55	+0.6	6.55	15.27	4.18	298.81	298.98	297.96	302.55	268.59	363.50 (27/7)	260.74 (2/3)	431.66 (29/5/69)	87.23 (29/5/62)
500 SHARE INDEX	183.11	−0.1	5.57	17.94	3.62	183.28	181.58	181.35	182.68	136.36	190.63 (8/9)	132.46 (2/3)	193.73 (31/1/69)	84.86 (26/6/62)
ANCIAL GROUP (121)	172.99	+0.5	—	—	2.84	172.17	170.87	171.38	171.65	115.66	178.49 (24/9)	119.73 (10/2)	178.48 (24/9/71)	69.38 (30/8/66)
ks (6)	178.07	+1.0	7.59	13.17	2.86	176.37	173.21	173.32	171.72	99.97	189.94 (27/7)	101.65 (6/1)	189.94 (27/7/71)	69.25 (16/6/64)
count Houses (6)	190.33	−0.9	—	—	4.20	192.03	190.64	190.80	188.85	122.50	201.96 (14/10)	130.72 (16/1)	201.96 (14/10/71)	87.65 (18/6/69)
e Purchase (6)	293.05	−0.4	4.34	23.03	2.58	294.13	294.45	293.97	294.69	188.07	305.24 (8/9)	188.57 (18/1)	306.24 (8/9/71)	80.02 (5/8/65)
urance (Life) (9)	147.66	+0.1	—	—	3.09	147.47	145.78	146.46	148.25	120.98	170.47 (20/9)	123.16 (18/1)	170.47 (20/9/71)	61.35 (30/8/66)
urance (Composite) (9)	134.94	+0.4	—	—	3.29	134.36	133.91	135.20	137.38	86.19	140.87 (23/9)	89.60 (10/2)	140.87 (23/9/71)	54.40 (16/3/66)
urance (Brokers) (11)	173.91	+0.7	5.07	19.72	2.85	172.61	172.20	171.90	172.67	113.65	187.56 (27/9)	118.27 (4/1)	187.56 (27/9/71)	82.59 (24/7/69)
estment Trusts (20)	182.34	+0.6	3.09	32.33	2.93	181.43	180.91	181.76	181.74	151.42	202.53 (8/9)	152.16 (2/3)	215.04 (31/1/69)	80.84 (26/6/62)
rchant Banks, Issuing Houses (14)	175.20	+1.3	—	—	2.23	172.97	171.02	171.66	172.39	115.57	187.24 (24/9)	108.44 (16/3)	187.24 (24/9/71)	60.47 (15/7/65)
perty (31)	231.26	−0.1	2.63	38.08	2.21	231.45	231.06	230.83	229.11	152.30	231.45 (23/11)	139.37 (8/3)	231.48 (23/11/71)	86.01 (20/4/65)
scellaneous (9)	203.01	+1.1	5.07	19.72	3.77	200.85	198.13	197.61	198.85	—	203.01 (24/11)	120.73 (4/1)	203.01 (24/11/71)	120.06 (31/12/70)
-SHARE INDEX (621 SHARES)	180.50	+0.1	—	—	3.43	180.37	178.82	178.77	179.84	131.13	187.32 (3/9)	129.47 (2/3)	187.32 (3/9/71)	83.72 (25/6/62)
MMODITY SHARE GROUPS (Not included in the 500 or All-Share indices)														
bbers (10)	258.52	+0.7	9.55	10.47	7.10	256.74	258.69	251.53	252.43	149.18	258.69 (22/11)	163.62 (7/4)	258.69 (22/11/71)	84.68 (25/8/65)
as (10)	95.39	−1.4	17.52	6.71	9.31	96.70	98.08	98.61	98.46	83.03	103.57 (28/10)	78.71 (3/3)	114.64 (14/5/64)	59.96 (14/11/66)
ppers (4)	237.28	+2.2	71.63	1.40	21.08	232.11	232.02	234.47	234.27	241.85	350.50 (12/7)	222.13 (2/11)	350.50 (12/7/71)	94.08 (29/4/62)
ning Finance (11)	74.19	+2.5	6.85	14.61	4.47	72.35	72.54	72.80	72.10	109.00	106.79 (7/7)	70.93 (2/11)	175.90 (28/4/69)	70.93 (2/11/71)
ns (8)	74.13	—	9.40	10.64	8.36	74.13	74.30	74.38	74.50	67.45	74.77 (20/7)	62.11 (4/1)	108.97 (29/6/66)	54.83 (27/5/70)

ED INTEREST	Wednesday, Nov. 24 Index No.	Yield %	Tuesday Nov. 23	Monday Nov. 22	Friday Nov. 19	Thurs. Nov. 18	Wed. Nov. 17	Tues. Nov. 16	Year ago (approx)	1971 High	1971 Low	Since Compilation High	Since Compilation Low
nsols 2½% yield	—	8.43	8.53	8.53	8.53	8.52	8.52	8.56	9.84	—	—	—	—
-yr. Govt. Stocks (6)	89.09	‡7.16	88.59	88.21	88.43	88.57	88.65	88.10	70.35	89.09 (24/11)	70.60 (4/1)	115.42 (11/9/63)	68.45 (15/6/70)
-yr. Red. Debentures & Loans (15)	80.03	‡9.16	79.98	79.81	79.77	79.79	79.78	79.82	69.50	80.03 (24/11)	68.42 (4/1)	113.43 (25/10/63)	66.59 (16/6/70)
vestment Trusts Prefs. (15)	77.44	9.54	76.67	76.92	76.92	76.92	76.92	76.92	68.45	79.37 (5/11)	66.23 (11/1)	114.41 (13/9/63)	66.23 (11/1/71)
mmercial and Industl. Prefs. (20)	84.26	9.15	82.75	82.61	82.64	82.68	82.67	82.67	72.30	85.84 (29/10)	69.02 (13/1)	114.41 (7/10/63)	69.02 (13/1/71)

n or Group	Base Date	Base Value
anufacturing	29/12/67	114.13
tailing	29/12/67	114.13
ce Brokers	29/12/67	96.67
Finance	29/12/67	100.00
nd Spirits	16/1/70	144.76
d Games	16/1/70	135.72
quipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
All Other	10/4/62	100.00

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

LEADERS AND LAGGARDS

llowing table shows the percentage changes* which have taken place since December 31, 1970, in the ipal equity sections of the F.T.-Actuaries Share Indices. It also includes the F.T. Gold Mines index.

	Change %		Change %		Change %		Change %
...	+72.52	Insurance (Brokers)	+46.08	*Industrial Group*	+34.42	Teas	+13.30
old Goods	+70.45	Discount Houses	+45.27	Entertain. & Catering	+33.13	Machine Tools	+12.60
g Materials	+65.14	Electricals (ex. Elctrn. Radio and TV)	+43.76	*All-Share Index*	+32.37	Packaging and Paper	+10.17
t. & Construc.	+61.96	Stores	+43.58	Electronics, Radio & TV	+29.66	Shipping	+ 9.98
s	+55.28	*Financial Group*	+43.40	*500 Share Index*	+29.28	Office Equipment	+ 8.00
urchase	+54.71	Food Manufacturing	+42.08	Tobacco	+26.89	Oil	+ 3.64
nt Bks., Issuing ses	+51.42	Breweries	+41.68	Chemicals	+26.42	Coppers	− 6.43
t & Compon'ts	+49.77	*Consumer Goods (Durable) Group*	+41.14	Engineering	+22.09	Gold Mines (F.T.)	− 8.44
ice (Composite)	+48.66	*Capital Goods Group*	+38.92	Tins	+19.70	Toys and Games	−19.92
nd Distributors	+48.62	*Consumer Goods (Non-Durable) Group*	+35.62	Textiles	+19.39	Mining Finance	−29.92
pers & Publish.	+48.44			Insurance (Life)	+15.42		
etailing	+47.64			Wines and Spirits	+15.16		
y	+46.52			Investment Trusts	+14.43		

* Percentage changes based on Tuesday, November 23, 1971 indices.

Rhod. & E. African (72)

South African (148)

West African (5)

Diamond (52)

OIL (392)

PROPERTY (588)

RUBBER (77)

SHIPPING (124)

TEA & COFFEE (37)

TRAMWAYS & OMNIBUS (6)

WATERWORKS (8)

SPECIAL LIST

NOVEMBER 24 (7)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

NOVEMBER 24

CORAL INDEX

Close 425-430

ERRATA

Shaw (Francis) and Co. 5½pcConv.Uns.Ln. stk. 1975-80 64 should have been 64¾ (22/11)

International Combustion (Hldgs.) Ord. stk. should have been marked 134¼ (23/11)

Greencoat Properties Ord. 68 should have been 65 (22/11)

Venesta Intnl. Ord. 50 ¾ etc. should have been 50 ¾ etc. (23/11)

Laporte Industs. (Hldgs.) 5¼pcDb. stk. 1972-77 84½ should have been to the 5¼pcDb.Stk. 1971-78 (19/11)

Property and Reversionary Inv. Corpn. A Ord. should have been marked 155 (17/11)

British Steel Piling (Hold.) Ord. 81 should have been 51 (22/11)

Yorkshire Fine Woollen Spinners Ord. should have been to Yorkshire Chemicals 10pcDb. 1991-96 (iss. at 100 pc £50 pd.) (22/11)

MINES

Australian (66)

Miscellaneous (258)

UNIT TRUSTS (7)

IRON, COAL & STEEL (106)

NEW 'HIGHS' AND 'LOWS' FOR 1971

The following securities (number in parentheses) among those quoted in London. Closing Prices yesterday attained new "highs" and "lows" for 1971:—

New "Highs," which were too numerous to name individually, were attained by 194 securities and are listed below in their sub-sections. New "Lows" totalled 13.

NEW "HIGHS" (194)

BRITISH FUNDS (41)
CORPORATION LOANS (19)
COMMONWEALTH AND AFRICAN LOANS (15)
BANKS (6)
BUILDINGS (28)
CHEMICALS (1)
DRAPERY AND STORES (4)
ELECTRICALS (2)
ENGINEERING (6)
FOODS (6)
HOTELS (1)
INDUSTRIALS (25)
MOTORS (1)
NEWSPAPERS (2)
PROPERTY (12)
SHIPBUILDERS (1)
SHIPPING (1)
SHOES (3)
TEXTILES (4)
TOBACCOS (1)
TRUSTS (6)
OILS (2)
RUBBERS (3)
TEAS (2)
MINES (2)

NEW "LOWS" (13)

AMERICANS (5)

Caterpillar; Penn-Central; Continental Oil; Texaco; Gillette

CANADIANS (3)

Abitibi Paper; Pacific Petroleums; B.P. Oil and Gas

CHEMICALS (1)

Brit. Benzol

INDUSTRIALS (3)

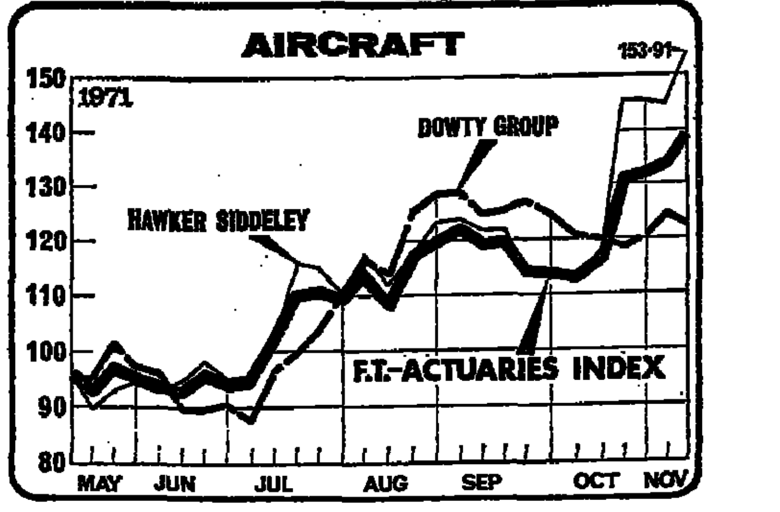
Broken Hill Prop.; Natl. Carbonising; Fothergill & Harvey

TEAS (1)

Longbourne

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	46	—	4
Corpns., Dom. & Foreign Bonds	51	3	71
Industrials	377	276	1,061
Financial & Prop.	182	70	292
Oils	10	7	12
Plantations	13	5	75
Mines	54	6	117
Recent Issues	17	12	69
Totals	750	379	1,701



The FT-Actuaries Aircraft and Components share index, now largely the story of Hawker Siddeley, has been moving ahead strongly in recent weeks and currently stands at its peak for the year. Last month's leap in Hawkers reflects the company's profit forecast of £12m. for the current year compared with £8.1m. previously. The shares, up 140 per cent. from the 1971 "low", have also benefited from a good flow of orders, particularly for the Harrier jump-jet.

These charts show the pattern of an F.T.-Actuaries index and of prices of two constituents converted to index numbers at weekly intervals over about six months, starting from the same base.

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
Imp. Chem. Inds.	£1	18	294	− 1	335	230
Fidelity Rad. New	10p	16	86	—	97	85
Turner & Newall	£1	16	175	+ 9	179	127
Trust Hses. Forte	25p	15	163	− 2	178	116
GEC	25p	13	158	− 2½	162	90
Rio Tinto-Zinc	25p	13	185	+ 5	270	173
Brit.-Am. Tobacco	25p	12	309	—	391	265
Burmah Oil	£1	12	390	+12	477	297½
Hill (Wm.)	10p	12	139	− 6	151	49½
Brit. Petroleum	£1	11	562	+ 4	624½	403
Courtaulds	25p	11	127	− 4	136	107
Lonrho	25p	11	63	+ 1	113	48
Oil Expl. New	10p	11	58	− 3	72	55
Unilever	25p	11	306	− 2	340	215
Bovis	25p	10	242	+10	242	114½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1)(e) and reproduced to-day in Stock Exchange dealings.

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 23	Dec. 6	Feb. 24	Mar. 7
Dec. 7	Dec. 20	Mar. 9	Mar. 21
Dec. 21	Jan. 11	Mar. 29	Apr. 12

There was a fair amount of activity yesterday in the Option market. "Calls" were taken out in Woolworth, Ladbroke, Argyle Securities, Oil Exploration, Butlin's, Clive Discount, Francis Parker, Selection Trust, Eldridge Stableford, EMI, "Lofs," Mining Supplies, William Hill, Slough Estates, Lonrho, Midland Industrial, *Cannon Street Investments*, Ralli International, Reyrolle, Tissus Michels, Trust Houses Forte, Raybeck, Pot. Platinums, Skipper and Dowgate and General.

"Puts" were arranged in Orme Developments and General Electric, while a double-option was completed in Lonrho.

Prices in pence unless otherwise stated.

Industrials						Mines	
		G.U.S. "A"	16	Reed Intl.	22		
		Guardian	14	Slater Walker	20	Anglo Amer.	30
A.P.Cement	25	Guest Keen	20	Tesco	5	Broken Hill Prop	52
Barclays Bank	30	Hawker Sidd.	20	Thorn 'A'	25	Charter Cons.	20
Beecham	18	Hay's Wharf	25	Tube Inv.	25	Charterhall Fin.	3
Boots Drug	11	House of Fraser	17	Unilever	20	Cons. Gold	25
Bowaters	15	I.C.I.	15	Utd. Drapery	15	De Beers Def.	13
B.A.T.	20	"Imps"	6	Vickers	7	F. S. Geduld	52
British Leyland	3½	I.C.L.	15	Woolworth	5	Great Boulder	20
British Oxygen	5	Int. Stores	7			Hampton Areas	15
Burton "A"	15	Inveresk Paper	5	Property		Hampton Props	9
Butlin's	3	Jessel Secs.	25	Cap Counties	9	Kloof	20
Cadbury's	6	Legal & General	22	Land Securities	12	Lonrho	10

REGIONAL MARKETS

BELFAST

IRISH EXCHANGE

NORTHERN EXCHANGE

MIDLANDS & WESTERN

SCOTTISH EXCHANGE

SHARE INFORMATION SERVICE: NOTES

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

1971 High	1971 Low	Stock	Closing Price £	+ or —	Gr'ss Y'ld Interest £	Gr'ss Y'ld Redemption £
		"Shorts" (Lives up to Five years)				
100	98	Conv. 6pc 1972	100	......	5.98	4.56
99	96⅛	Gas 4pc 69-72	99	......	4.01	4.42
101	98	Exchequer 6¼pc 1972	101	......	6.17	4.51
102¾	96	Exchequer 6¾pc 1973	102¾	+ 1/32	6.57	4.92
98⅜	92⅝	Electric 3pc '68-73	98	+ ⅛	3.05	4.24
98⅜	92⅝	Transport 3pc '68-73	98	+ ⅛	3.05	4.24
100	99¼	Treas. 5¼% 1975	100 xd	+ ⅛	5.20	4.76
100	93⅞	Conv. 5¼pc 1974	100 xd	+ 1/32	5.23	5.02
101	98	Treas. 5½% 1974	101	+ 1/16	5.44	5.04
104	96	Treasury 6¾pc 1974	104 xd	+ 1/32	6.47	5.12
101	98	Treasury 6pc 1975	101	+ 1/32	5.91	5.55
95	84	Savings 3pc 65-75	93	+ 1/32	3.21	4.86
102	96	Exch. 6¼pc 1976	102	+ ⅛	6.34	5.77
103	93½	Treasury 6½pc 1976	103	+ ⅛	6.33	5.76
100	94¾	Victory 4pc 1976	97½	......	4.10	5.15
		Five to Fifteen Years				
99⅛	97¼	Funding 4pc '60-90	98	+ ¼	4.09	5.00
103	98	Treas. 6½% 1977	103	+ ⅛	6.14	5.85
91½	80	Electric 3pc 1974-77	91½	+ ⅛	3.30	4.96
93	81	Transport 4pc '72-77	92 xd	+ ⅜	4.35	5.52
95¾	82⅝	Exchequer 5pc '76-78	95¾	+ ⅜	5.26	5.91
90¾	75⅝	Electric 4¼pc '74-79	90¾	+ ⅜	4.72	6.84
86¾	70¾	Do. 3½pc '76-79	86¾	+ ⅜	4.03	5.59
86⅝	69	Treasury 3½pc '77-80	86⅝ xd	+ ⅝	4.08	5.61
93⅞	76⅞	Funding 5¼pc '78-80	93½ xd	+ ⅜	5.60	6.19
85⅛	67¼	Treasury 3½pc '79-81	85⅛	+ ⅝	4.16	5.73
111⅛	92⅜	Do. 8¾pc '80-82	111⅛	+ ¾	7.86	7.17
93⅝	71	Funding 5½pc '82-84	93⅝	+ ⅛	6.00	6.50
110¼	90¼	Treasury 8¾pc '84-86	110¼	+ ⅞	7.93	7.61

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

PUBLIC BOARD AND OTHER LOANS

[illegible]

Corporation Short-dated Bonds

[illegible]

FOREIGN BONDS & RAILS

[illegible]

London U.S. Dollar and DM Issues

[illegible]

Prices exclude inv. $ premium.

AMERICANS

[illegible]

S.E. List Premium 24⅛% (based on $2.4659 per £)

CANADIANS

1971 High	1971 Low	Stock	Closing Price p	+ or —	Div. % or amount	Times covered	Gross Yield p.c.
440	255	Abitibi Paper‡	255	—15	—	—	—
852	700	Bk. Montreal ($2)	785	+16	77c	—	4.1
£14½	£10½	Bk. Nova Scot. ($2)	£14¼	+ ⅛	84c	—	2.4
£14¾	750	Bow Valley‡	£10¾	—⅝	10c	—	0.4
£10⅛	755	Brascan‡	795	+5	$1.0	—	6.2
372	257	B.P. Oil & Gas‡	257	—15	—	—	—
£13¾	943¾	Can. Imp. Bk. ($2)	£10⅞	—⅛	69c	—	2.6
715	570	Can. Pacific ($5)	570	—8	65c	—	4.7
125	83¾	4pc N. Cum. P. ($3)	98	—2	4	—	5.1
£45	£37⅞	4pc Deb. (£100)	£43¼ xd	+ ½	4	—	9.2
620	350	Cons. Bathurst‡	270	......	$1	—	15.4
£13¼	£10	Gulf Oil Can.‡	£11⅛	—⅛	57½c	—	2.1
155	90	Hawker Sid. Can‡	96	......	—	—	—
£21	£16	Hollinger ($5)	£15⅝	......	$1.20	—	3.0
£10¼	755	Hudson's Bay‡	810	—7	52c	—	2.7
£24¼	£18	Hud. B. Oil G. ($2½)	£19¾	—¼	50c	—	1.0
£15	765	Imasco	875	......	80c	—	3.8
£15¼	920	Imperial Oil‡	£13¾	—⅛	52½c	—	1.6
*670	525	Inl. Nat. Gas ($1)	615	......	50c	—	3.4
£22	£12½	Int. Nickel‡	£15	—⅛	$1.56	—	4.7
645	420	Massey Ferg.‡	430	—5	$1	—	‡
£17	12¼	Pacific Petrol ($1)	£12¼	—⅛	30c	—	1.0
80	45	Place Gas ($1)	47	......	—	—	—
£11	585	Rio Algom‡	613	—19	40c	—	2.7
£13	£11	Royal Bk. Can. ($2)	£12	......	88c	—	2.9
145	90	Steep Rock ($1)	95	......	15c	—	6.6
£13¾	845	Tor. Dom. Bk. ($2)	£12	+ 1/16	68c	—	2.3
£18¼	£14¾	Trans. Can. Pipe ($1)	£16¼	—⅛	$1	—	2.6
£13½	£10⅝	Westcoast‡	£11¼	—⅛	50c	—	1.8
800	365	White Pass‡	415	—[illegible]	25c	—	2.5

S.E. List Premium 24⅛% (based on $2.5005 per £)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS, ETC.

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING AND METAL

[illegible]

ENGINEERING AND METAL—Gen. Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS AND CATERERS—Continued

[illegible]

INDUSTRIALS (Miscell.)

[illegible]

هكذا من الأصل

INDUSTRIAL (Miscell.)—Continued

Stock	Closing Price pence	+ or —	Div. % or amount	Times covered	Gross yield pe	P/E Ratio
Incledon Lamb.	79	......	15	1.0	4.7	21.3
Ind.C.Ct'ns (10p)	22½	—½	6	1.8	2.7	21.5
Initial Services.	76	+½	15	1.4	4.9	14.9
Inter-City (20p)	28¾	......	‡5	1.0	3.5	29.5
IntCompút'rs£1	111	—1	11¼	‡1.5	10.1	7.4
Int. Time Rec....	138	......	‡20	2.4	3.6	13.3
Jacks (Wm.).....	29½	+¼	—	—	—	—
James (John)....	38	......	‡12	‡0.8	7.9	15.0
James (M.)(10p)	27	......	‡20	3.3	7.4	4.1
J'rdineM(HK$5)	305	+25	‡15.9	2.2	2.1	21.5
Jentique (5p)....	21½	......	16¼	2.1	3.8	12.6
Jeyes Group.....	97	......	†19¼	1.4	4.9	14.8
Johnson Cln'rs.	66	+1	†8	0.9	3.0	34.9
JohnsonMthy£1	285	—7	12½	1.8	4.4	12.9
Judge Int........	76	......	13	1.6	4.3	14.7
Kalamazoo.......	166	......	34	1.7	5.1	11.7
Kangol 20p	103	......	20	2.7	3.9	9.3
Kelsey Ind.12½p	64	......	24¼	2.4	4.8	8.5
KennedySm20p	83	+1	‡20	3.2	4.9	6.5
Kent (Geo.)(50p)	93	......	5	†1.8	1.6	36.1
Kleeman.........	310	......	‡36	2.0	2.8	19.3
Kode Int........	25	......	—	—	—	—
LCP Hlds.........	115	......	15	1.9	3.3	16.2
LRC Int. 10p....	120	......	‡40	1.6	3.3	19.3
Lamson Inds.....	79½	......	13¼	1.5	4.2	15.2
Lancaster Cpts.	165	+1	‡28¼	3.4	3.4	13.1
Launderette 10p	37	......	‡24	2.0	6.5	7.8
Lawtex...........	32	......	12	1.5	9.4	7.2
Leboff Fobel 10p	72	—7	†‡15	1.5	2.5	27.2
Lebus Harris £1	39	......	B—	—	—	—

††INSURANCE

1971 High	1971 Low	Stock	Closing Price	+ or —	Div. % or amount	Times covered	Gross yield pe	P/E Ratio
502	357½	Bowring (C.T.)...	490 xd	+8	†38	2.6	1.9	19.8
112	65¾	BrentnallBd 10p	112	......	‡34	1.7	3.0	19.8
288	190	Britannic 5p.....	224	—2	†165	—	3.7	—
482	320	Comm. Union.....	444	+2	†61	—	3.5	—
497	271¼	Eagle Star (50p)	442	—2	†24	—	2.7	—
290	250	Economic.........	275	......	45	—	4.1	—
350	213	Equity&Law(5p)	285	......	110	—	1.9	—
302	210	Excess...........	236	......	35	—	3.7	—
96	82½	Fenchurch (10p)	90	+8	45	1.2	5.0	17.4
95	61¼	Do. "A" (10p)	88	+8	45	1.2	5.1	17.0
197	115	Gen. Accident...	178	......	†22	—	3.1	—
288	167	Guardian Royal	276	+4	†32	—	2.9	—
132	85⅝	Hammond (L.).	91	+1	20	1.2	5.5	15.0
232	111⅞	Heath (C.E.) 20p	218	—2	‡45	1.5	4.2	19.7
180	78¾	Howden (A) 10p	156	+2	†42½	1.6	2.7	23.0
372	237½	Legal&Generl5p	316	—2	†‡183	—	2.9	—
427	297½	Leslie& Godwin	348	—2	45	1.8	3.2	16.7
165	113¼	Lon. & Man. (5p)	142	—1	†93¼	—	3.3	—
265	238	M'tthew Wr20p	250	—1	‡40	1.9	3.2	16.6
240½	121½	Mercury 50p)....	195 xd	......	†‡15.5	1.5	3.9	16.6
365	213¾	Minet Hldgs20p	350	+10	†‡30	2.5	1.7	23.4
690	400	Orion £1	685	......	22¼	—	3.3	—
310	228¼	Pearl 5p.........	282	......	200	—	3.6	—
290	172½	Phoenix..........	256	+2	†34	—	3.3	—
312	190	Price Forbes.....	270	—2	†‡35½	1.6	3.1	20.2
188	125	Provident 'A'...	180	......	28	—	3.8	—
175	122½	Do. 'B'.........	175	......	28	—	4.0	—
194	143	Prudential (5p).	161	+1	‡64	—	3.4	—
198	147	Refuge 'B' 5p...	169	......	135	—	4.0	—
82	30	Reinsurance.....	80	—2	10	—	3.1	—

PROPERTY—Continued

TEXTILES—WOOL

1971 High	1971 Low	Stock	Closing Price pence	+ or —	Div. % or Amount	Times covered	Gross yield pe	P/E Ratio
74	38	Allied Textile...	70	+1	25	1.4	8.9	7.8
53	25	Blackwood M'tn	53	+1	12½	1.2	5.8	14.6
45	27½	Brit. Mohair....	29½	+½	‡16¼	0.6	!	—
57½	26	Bulm'rL'mb20p	51	......	16	1.4	9.7	7.5
136	70	Carpets Int. 50p	136	......	13	0.9	4.8	23.8

TRUSTS, FINANCE, LAND—Continued

TEAS—Continued
India and Pakistan (cont.)

1971 High	1971 Low	Stock	Closing Price	+ or —	Div. % or amount	Times covered	Gross yield	P/E Ratio
165¾	61	British Indian (£1)	68	......	9	1.0	12.9	
60	46	Chulwa (£1)........	60	......	—	—	—	
327	248	Cons.Tea&Land£1	323	......	30	U1.1	9.3	
75	51½	Darjeeling Con.(£1)	70	......	10	1.0	14.3	
52¾	23	Deundi (£1).........	28	—2	—	—	—	
4½	2	Dooars (10p)........	4½	......	B—	—	—	
7¼	3⅝	EmpireofIndia(10p)	7¼ xd	......	3	2.7	4.1	
20	15	Est. & Agency......	16	......	10	0.7	15.6	
59	31¼	JettingaVal.(20p)....	39	+4	7½	2.4	9.6	
67½	37	Jokai (£1)	47½	......	2½	ϕ	5.3	
95	60	Jorehaut (£1).......	81	+1	5	U0.5	6.2	
107	60	Kanan Devan(£1)..	107	......	—	—	—	
250	145	Longbourne (£1)...	145	—5	30	2.0	20.7	
134	65¼	McLeod Russel(£1)	134	......	8	2.7	6.0	
61	51¼	Majuli (£1)..........	60	......	7½	U0.5	12.5	
72	49	Makum (50p)	61 xd	+1	7½	ϕ	6.1	
92	46	Moran (£1)	92	......	4	U1.4	4.3	
25	21	Nedeem (£1)........	23	......	B—	—	—	

MISCELLANEOUS

1971 High	1971 Low	Stock	Closing Price	+ or —	Div.	Times covered	Gross yield
7½	5	Burma Mines(17½p)	6¾	......	—	—	—
26½	11½	Cent. Prov Mur 12½p	25½	......	‡12	1.0	10.0
31	7	Charternall (5p)...	8	......	—	—	—
612½	195	Cons. Murch (10c)	195	—10	‡80c	2.1	‡
£24	£13⅝	G. F. Mg. Ind. Db.	£24	......	7½	40.7	9.4
560	215	Northgate (C$1)...	230	—5	‡50c	2.2	‡
270	173	R.T.Z..............	185	—5	24	1.8	5.2
295	37	Sabina Inds. (C$1)	84	—1	—	—	—

For Notes, see Stock Exchange Dealings.

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THE LEX COLUMN

Index fell 0.7 to 427.2

Corporate identity in Hanson/Costain

The surprise news from Hanson Trust and Richard Costain is that it is a genuine merger into a new company that is being considered. The price reaction was a 15p rise in Costain to 234p (while Hanson edged up 2p to 179p), a somewhat illogical one since there was a clear element of bid speculation in the Costain price beforehand, while the company's very comprehensive asset value estimate for 1970 showed about 195p net per share. But in any case what is being proposed is, at Tuesday's prices, a £50m. company splitting £26m./£24m. marginally in Hanson's favour, and it may well be that the split of the new group will not be far from 50/50.

On Costain's side, it is tempting to see the motivation in a defensive move to lighten its reliance on contracting. As for Hanson, the desire to double its equity base (or nearly so for there is not much apparent room for debt in a combined company) looks provocative at first sight. It can only be seen as some sort of consolidation of the rapid earnings growth.

However, having eked most of the rationalisation potential out of its trading interests, Hanson was looking rather short of a corporate raison d'être. And while its own recent essay into property development held vaunted prospects, the double attractions of Costain's £15½m. of properties, including some good London sites, and its extensive overseas experience must have seemed a worthwhile spur. With or without loan stock the combined capitalisation looks credible on a profit base of perhaps £4½m.-plus prex-tax for calendar 1971.

Powell Duffryn

Just as drastic treatment for the ailments of Hy-Mac proved expensive last year—to the extent of trading losses for this subsidiary running up to £1.46m. — so there was an obvious recovery potential for Powell Duffryn this time round, and the upturn is materialising with a £490,000 rise in pre-tax profits to £1.82m. after six months. However, it is too early to say whether Hy-Mac has dug itself completely out of trouble yet: it was still in the red for the seasonally unfavourable first half, and much depends on whether signs of reflation give a boost to construction industry sentiment in time for the New Year buying season. Even so, there ought to be a good £1m. of recovery here, against a fairly static overall pattern for the rest of the group—Hamworthy Engineering has put in another good performance and the timber side is doing well, but the shipping section is enduring the expected decline.

A £200,000 drop in interest reflects the sale and leaseback of the head office, but this will have been offset by rent, and meanwhile the group —preoccupied, perhaps, with Hy-Mac's problems—has yet to put the cash into a permanent home.

One snag is a 48 per cent. tax charge, with non-groupable losses in several subsidiaries. Still, this should ease in the second half, and on a £1m. pre-tax rise to £4.8m. PD could raise earnings from 8.25p to say *10.4p a share. Up 12p to* 149p on the results, the prospective p/e is just over 14 on this basis, and may prove high enough until there is evidence of a consistent growth trend.

See also Page 25

Turner & Newall

In 1965-66, Turner and Newall's Rhodesian profits were running at £1.93m. after tax: their absence last year was reckoned to be slicing an annual £3m. out of cash flow—including the extra cost of alternative supplies—against a group total of just over £5m. Rhodesia accounted for about a fifth of U.K. asbestos imports prior to UDI, but a political settlement need not upset the supply/demand balance since Rhodesian asbestos is believed to have been widely available in Europe for some time now. Moreover, Rhodesian asbestos must have been extremely cheap to produce, since 1965-66 earnings came from net assets of just £6.3m.

But there are other uncertainties apart from the final outcome of the talks and the current state of the mines. Rhodesia's last published profits were up from an average of nearer £1.1m. in the early 1960's, so there may have been an exceptional level of business ahead of UDI. If switching from Rhodesian to Canadian asbestos, with its slightly different physical properties, was a long and expensive process, the same might apply in reverse. Meanwhile, the last Rhodesian profits would be worth 3p per share to earnings: after a 14 per cent. rise to 175p in the last eight trading days, a prospective p/e of perhaps 15½, excluding Rhodesia but taking in trade investments, might have more charms were it not for the fact that the long relative price decline dates back, not to UDI, but to 1961.

Johnson Matthey

Johnson Matthey has added to its string of depressing quarterlies with a 47 per cent. pre-tax decline to £1.01m. in the second quarter, against 42 per cent. to £1.06m. in the first. However, *it is stated that profits* are not likely to fall below £2.07m. in the second half, giving a floor of £4.13m. pre-tax against £6.26m. in 1970-71. All the same, October-March last time produced £2.56m. (using the retrospectively adjusted figures) so it remains to be seen whether the group's dive has quite bottomed out yet.

The background, of course, remains unhelpful, in terms of general industrial activity, platinum demand and the silver price—the fear on the latter being that JM still has open some of the Amerint positions, which run through to March. But the profit indication does give a maximum prospective p/e of 20 at 285p assuming (perhaps generously) a normal tax charge, so there is more than takeover gossip to base the price. And when the upturn comes the gearing will come into play: the first-half decline was only 22 per cent. pre-interest.

See also Page 22

Lombard

Why gold must stay in the picture

BY C. GORDON TETHER

THE GRANDILOQUENT way in which Mr. Connally, the U.S. Treasury Secretary, announced on Monday that both he and President Nixon had been devoting a great deal of attention to the international monetary crisis during the past few weeks went some way to confirming the suspicion that many of us have had that they had not previously given much thought to it at all.

Unfortunately, his subsequent portrayal of the U.S. position on gold leaves it painfully clear that the "big think" has not produced an American approach to this important aspect of the monetary problem that is significantly more intelligent or realistic than the one that emerged from the preceding "non-think."

For one thing, it involved yet another of those almost daily about-turns that make it about as easy to build up a coherent picture of the American standpoint as it would be to chart the course of an enraged bluebottle in an over-heated glasshouse. Thus, as Mr. Reuss, the sorely-tried chairman of the House-Senate Joint economic sub-committee on exchange and payments subsequently pointed out, Mr. Connally's announcement that he was totally opposed to an increase in the dollar price of gold came just a week after he had declared that this was a "negotiable issue."

Like plague

That is discouraging enough. What is even worse is that, operating in a higher gear, the Connally-Nixon "think tank" managed to reach the conclusion that America ought now to demand nothing less than the instant demonetisation of gold. According to the latest Connally dictum, the tiniest increase in the value of the metal—even in terms of the depreciated dollar —would be calculated to militate against this "by re-emphasising the importance of gold in the monetary system." So that, too, must be avoided like the plague.

One does not have to be a wild-eyed fanatic, dedicated to the proposition that monetary reform must reinstate gold at the heart of the payments system, to see that the last thing the U.S. can expect the rest of the world to do is to consign the metal to the international liquidity scrap-heap just because the dollar has proved to be an unsatisfactory substitute for it.

Cleanest

There is no doubt that the world monetary problem would be greatly eased—and at a stroke —by raising the price of gold to a realistic level. But there is also no difficulty in seeing that the metal cannot—in a modern context—be relied upon to provide, unaided, a full solution. For one thing, the supply-demand set-up is such that it cannot procure the carefully regulated addition to the stock of international reserves the world needs.

But the wise man does not throw away soiled water before he is assured of a supply of clean. And with the dollar discredited and the SDR still dependent for its standing on its link with gold, the metal is unquestionably the nearest thing to clean liquidity we have.

It is conceivable that in the financial dream world of the future the SDR will be king— always provided it is equipped with a built-in guarantee against loss of purchasing power that will give it the special appeal which gold has had and which finally proved to be the dollar's undoing. But at this moment of time, the fair, the logical and the commonsense thing to do is to allow gold to continue to serve the international liquidity system to the fullest extent it can.

Unduly cheap

At the very least that means seeing that it is not forced to share the devaluation of the American dollar. Preferably, it means raising its monetary value far enough to prevent it proving such an unduly cheap form of top quality international liquidity that the inferior types the world must necessarily continue to use are constantly operating at a serious disadvantage.

It is too much to expect the Connally-Nixon "think team" to look at the issue in this way, seeing that it has come to regard gold as the mortal enemy of dollar imperialism. But there is no reason why the rest of the world should see itself as obliged to go along with the American attitude. If Washington wants instant demonetisation of gold in relation to the dollar, no one can stop it. But others have a right to decide for themselves what they want to do. And having effectively washed its hands of the whole business, the U.S. must respect that right.

Commons to hear Rhodesia agreement details to-day

BY BRIDGET BLOOM AND TONY HAWKINS

SALISBURY, Nov. 24.

SIX YEARS and 14 days after Rhodesia declared UDI, Britain agreed on terms for a settlement with Mr. Ian Smith and his Rhodesian Front Government which will, within a few months, give Rhodesia legal independence. The announcement that terms had been agreed, which was widely predicted last night, came at 11 a.m. local time to-day.

In a short joint statement Sir Alec Douglas-Home, the Foreign Secretary, and the Rhodesian Premier declared that Britain and Rhodesia "have reached agreement on proposals designed to bring to an end the constitutional dispute between the two countries."

The proposals, the statement said, would be "submitted to the Rhodesian people through a test of acceptability which will be organised as soon as possible." Details of the proposals, which are for the time being kept secret by both sides, will be given simultaneously to the British and Rhodesian Parliaments to-morrow afternoon.

Warm cheers

The small, mainly European crowd, which had gathered in hot sunshine outside Mr. Smith's office in central Salisbury, cheered both delegations as they left shortly after 11 a.m. Sir Alec for the airport and London and Mr. Smith and his Cabinet *apparently for a celebratory* drink.

Sir Alec, though smiling, made no comment. Mr. Smith, however, said that he believed that the settlement was a good one, and when asked whether he thought it would be approved by the African majority declared that Rhodesia "has the happiest Africans in the world." His only answer to a question as to when majority rule might be achieved was a smile and a slight shrug.

The news of settlement has been greeted with some euphoria here in Salisbury. There appears to have been a good many European champagne parties to-day: Africans and Europeans alike have been buying up the local newspaper's special "settlement supplement," while the local telephone exchange was temporarily unable to cope as the news of settlement spread.

But while there is obviously considerable and widespread relief that Rhodesia's six-year-old isolation is now ended, many people—at both ends of the political spectrum—are reserving judgment until the precise terms are known.

All that is available so far is, according to a British spokesman, that the terms are "fully within the Five Principles." Two documents had been signed, the spokesman said, the first covering the settlement proposals and the second being an "exchange of letters on certain financial matters."

It is understood that the broad principles which will regulate outstanding financial obligations between the two countries—such as the frozen Rhodesian Government Bonds and the profits and dividends of British companies here—have been agreed, although there is clearly some detailed negotiation still to come.

There is, of course, considerable speculation in Rhodesia about the terms of the agreement but the talks were conducted behind such a successful screen of secrecy that almost nothing is known for certain.

What is clear is that there must still be a number of stages to be gone through before sanctions can be lifted and Rhodesia can be granted its legal independence by Britain.

The approval of both the British and the Rhodesian Parliaments for the present agreement is needed and there is a strong impression here that the British have been insisting that everything be passed through the Rhodesian Parliament before the British Parliament proceeds to put through its own legislation— presumably so that there can be no going back on the agreement by Mr. Smith.

Again, it is thought that the test of acceptability "of the people of Rhodesia as a whole" could not be completed before the end of January at the earliest. Some sources suggest that the test cannot start before January and that it will then last "months rather than weeks."

The composition of the commission of inquiry remains unknown—the White Paper will presumably announce its composition, if not the names of its members—and it is assumed here that there would have to be separate mechanisms for testing the opinion of the mainly European voters and the mass of voteless Africans.

The point has been widely taken here that the test of acceptability is the crucial concern of the next months and that there can be no certainty of settlement until its work is done.

White reaction

White reaction to the settlement announcement has been almost unanimously enthusiastic. Some companies virtually closed down for the afternoon to celebrate and business leaders were unanimous in their approval, although several sounded a warning note that the country still faces economic problems.

Mr. Smith's political opponents have not reacted significantly yet. The far-Right Republican Alliance (opposed to majority rule at any time) merely said that anyone who comments before seeing the terms shows himself to be a fool. This is fair comment. The moderate pro-settlement Centre Party—which has no such inhibitions— described to-day as providing the best news since VE day.

On a more serious note, the Centre Party warned that what the country really needed was an internal settlement bringing the races into harmony.

An African nationalist, Mr. Josiah Chinamano, adviser of the detained ZAPU leader, Joshua Nkomo, said he could not comment until the terms were known. However, he expressed what seems to be a general African fear (of a sellout) that since Africans had taken no part in the talks it could reasonably be assumed that the settlement was not in their interests. Unless the settlement were acceptable to the country's 5m. Blacks, he warned, it could only be "a red beacon" heralding a dark future for the country.

Spokesmen for the churches and non-White political groupings were similarly cautious. The Anglican Bishop of Mashonaland said he would rejoice if there were a genuine change of direction from mistrust and fear between the races, while a Roman Catholic Church spokesman said he welcomed any agreement that would ensure peace and justice "for all Rhodesians."

All-in-all political comment so far has been understandably restrained by the fact that the details of the agreement are unknown. However, there is no gainsaying the air of jubilation in Right-wing quarters and of "sell-out" in non-White circles that promises a bitter struggle over the test of acceptability.

The by-election to be held at Salisbury Central (a seat held by the Rhodesian Front with a large majority) should provide an early indication of the way White feeling is going.

Although in business circles the reaction has been unanimously favourable no-one has gone overboard. The Association of Rhodesian Industries warned that Rhodesia's balance of payments will not improve overnight and organised commerce says that the settlement benefits are likely to materialise "more in the medium-term than in the immediate future." The motor trade says that there will be no immediate rise in foreign currency allocations, but the future "looks a good deal brighter."

Editorial comment, Page 20
See also Page 8

Costain-Hanson merger plan

BY NICHOLAS LESLIE

CIVIL engineering contractors, Richard Costain, and Hanson Trust, the property, building materials and construction equipment group, are planning a merger. Terms are currently being worked out by the two companies' advisers on the basis that a new holding company will be set up to acquire the capitals of each, which yesterday had a combined market value of nearly £52m.

There has been speculation around the future of Costain since it was recently learned that a 10 per cent. holding in the company had been sold some time ago by Trafalgar House Investments

It has been suggested that the buyer was Slater Walker, although Mr. James Hanson, chairman of Hanson, yesterday would not confirm this. He did, however, admit that the holding was in "friendly hands." Slater Walker are advising Hanson in the present negotiations.

Exploratory talks

Talks between Costain and Hanson have been under way on an exploratory basis for around 10 days, the starting point having been through a joint property development in London. And it is the property development potential within the two which has prompted a merger, with Hanson having made a concerted move into this field in the last year and Costain having the *exploitable assets and construction ability.*

Costain has over £13m. of freehold and leasehold properties in the U.K. and it appears there has already been a preliminary joint appraisal of assets which could be developed. Apart from the U.K., both companies have Australian property interests, while Costain also has a Spanish operation and Hanson a subsidiary in Portugal.

In addition to property Hanson's brickmaking activities, recently strengthened with the acquisition of National Star Brick, and construction equipment division are complementary to Costain's building operations.

Although neither side would indicate the probable structure of the new holding company, it is possible it will be on a straight 50-50 basis. Costain is much the stronger in assets, but Hanson has greater profitability, and stock market values are nearly equal with Hanson at £26.2m. and Costain at £25.4m.

In recent weeks Costain's shares have been steadily rising and the merger news sent them up a further 15p yesterday to 234p. Hanson gained a modest 2p to 179p.

In 1970, Costain's operating profits amounted to £1.7m., pre-tax, on a £108m. turnover, while in the first half of the current year the pre-tax return was up from £640,000 to £748,000. Hanson's 1969-70 pre-tax profits were £2.37m. on a £47m. turnover and in the first six months of its present year profits were up from £1.27m. to £1.34m.

It is likely that terms of the deal being worked out between Slater Walker and Lazards (on *behalf of Costain) will take* at least a week to complete.

Men and Matters, Page 20

Sun Line's new cruise ship

SUN LINE'S new Stella Solaris cruise liner 18,000 tons, at present being built, is to make her maiden cruise from Athens (Piraeus) on April 2, 1973.

This will be the first of 30 seven-day cruises to the Greek islands between that date and October 22, 1973. The ship will be able to carry 740 passengers.

With the introduction of the Stella Solaris for the Greek islands services, Sun Line's other cruise ship, Stella Oceanis, will begin a programme of 12 "gala" seven-day Mediterranean cruises, sailing on alternate Saturdays from Venice and Nice between June 16 and September 1, 1973.

Nixon names Herbert Stein as chief economic adviser

BY GUY DE JONQUIERES

WASHINGTON, Nov. 24.

PRESIDENT NIXON to-day announced the appointment of Herbert Stein as the new chairman of his council of economic advisers. He will replace Dr. Paul McCracken, who will leave on January 1 to return to academic life.

Mr. Stein, a member of the council since the Nixon Administration took office, has recently found himself playing an influential role in the implementation of Mr. Nixon's new economic policy, as principal architect of the "phase two" anti-inflation programme.

He has had to reconcile the demands of office with his strong personal opposition to wage and price controls. A political and economic conservative by nature, he publicly declared himself opposed to an incomes policy of any kind only a few days before Mr. Nixon imposed the 90-day wage/price freeze on August 15.

A less reserved personality than his predecessor, Mr. Stein is expected to raise the council to a position of greater prominence in the public eye. In past appearances, he has exhibited a sharp, and sometimes biting, wit.

However, it remains to be seen whether he will succeed in restoring the council to the prominence it has enjoyed during previous administrations. Under President Nixon, the council's functions have become increasingly technical and it has played a *less important part in* the making of economic policy.

Vosper deal to build Supramar hydrofoils

BY JAMES McDONALD, SHIPPING CORRESPONDENT

AN AGREEMENT has been signed between Vosper Thornycroft—the South Coast shipbuilders—and Supramar A.G., of Lucerne, Switzerland, under which Vosper will build passenger hydrofoil craft at its Portchester yard

The hydrofoils will be of the PT.20, PT.50 and PT.75 types— comparatively small vessels and not in competition with Vosper's VT.1 hovercraft.

The PT.20 is a 27-ton craft with capacity for about 70 passengers, and nearly 70 of this type have *been built in Sicily, Japan, Hol*land and Norway. The PT.50 is a 63-ton passenger ferry, designed for offshore and inter-island services, and more than 30 are now operating regular services in areas ranging from the Baltic and Mediterranean to the Japanese Inland Sea.

The PT.75 hydrofoil can seat up to 140 passengers, and can offer a speed of up to 38 knots. In all, there are about 140 Supramar hydrofoils in operation throughout the world and the marketing and export prospects for craft of this type are considered to be "most encouraging," *said* a Vosper Thornycroft spokesman last night.

Continued from Page 1

Arrests during jobless demonstration

John Hunt writes: Amid noisy scenes in the Commons last night angry Labour MPs demanded the suspension of the sitting and alleged that workers taking part in the TUC unemployment demonstration had been manhandled by police at the entrance to Parliament and in Westminster Hall.

They claimed that the marchers were being denied their basic right to come on to the premises to make representations to their MPs.

Eventually tempers were cooled when Mr. William Whitelaw, the Leader of the House, intervened and when the Speaker, Mr. Selwyn Lloyd, declared that he favoured a full inquiry into the allegations.

For more than half-an-hour Left-wingers held up the second reading of the Transport Holding Company Bill with constant interventions about the demonstration.

Mr. Arthur Lewis (Lab., West Ham N.) said that he had been in Westminster Hall and had seen police twist the arm of one of his constituents.

He said that he had told the police to let the man go but they refused, and tried to prevent the man from speaking to him. They then dragged the constituent out of the hall, said Mr. Lewis.

"I have seen a man mishandled within the precincts of Westminster," said Mr. Lewis. "Surely this is not going to be allowed in the 1970s."

Provocation

Mr. Eric Heffer (Lab., Liverpool Walton) said the demonstration had been orderly until mounted police were brought in. This was seen as a provocation and led to things getting out of hand.

"At least one who came through was grabbed by the police by his hair and now has been incarcerated in a room in this House for at least half an hour," he cried. There were angry shouts of "Disgraceful!"

"I really think the House must pronounce as to the future of demonstrations of this kind coming to the House," Mr. Heffer added.

Mr. Charles Loughlin (Lab., Gloucestershire West) said the police in the main had been doing a reasonable job, but he had pulled up one constable for an action he thought was entirely unjustified.

"I have seen a number of demonstrators manhandled through that crowd into the St. Stephen's entrance. There have been a number of people arrested in attempting to meet their Members of Parliament," he stated.

Sir Harmar Nicholls (Con., Peterborough) said that he had witnessed the scenes from a window of the House, and there could be no doubt that the mounted police dealt with the difficulties in an expert way which was most helpful.

The police, he said, had behaved admirably and within five or ten minutes had cleared the St. Stephen's entrance. Those who wanted to come in to see their MPs had then been free to do so in the proper manner.

Subsided

There were further interventions and protests that the police action was a breach of privilege. At one stage Mr. E. L. Mallalieu, a deputy Speaker, threatened to "name" Mr. Lewis, which would have meant that he would have had to leave the Chamber.

At an earlier stage Mr. Harold Wilson, the Leader of the Opposition, had briefly intervened to lodge a protest at the situation at the entrance to the house.

The clamour subsided when Mr. Whitelaw left the chamber accompanied by Mr. Robert Mellish, the Opposition chief whip, to investigate the situation on the spot. When they returned, Mr. Whitelaw said there were about 50 people outside, and he had arranged for them to be allowed in. Mr. Mellish then suggested that there ought to be an inquiry into the allegations.

Mr. Selwyn Lloyd, who had been recalled to take over the chair from Mr. Mallalieu, promised that the would be prepared to co-operate in the fullest possible inquiry and believed that such matters should be fully examined.

"An inquiry is in the interests of the House, its privileges and public order," he declared.

هكذا من الأصل

Weath[er]

U.K. TO-D[AY]

S. Scotland, N. Ir[eland] and much of Engl[and] mostly dry but clou[dy] a few bright periods. Occasional drizzle in some W. areas and there will be a little ra[in] at first.

London, S.E., E. an[d] ... Eng., E. Anglia, E. ... Mostly cloudy at firs[t] ... sional rain in places. ... dry with bright per[iods] ... W. to N.W. moderat[e] Max. 9C (48F).

Channel Is., S.W. En[g]. ... Rather cloudy, drizzle in places but ... periods. Wind N ... moderate, locally fre[sh] ... (52F).

W. Midlands, N. Wal[es] ... Cent. N. Eng., I... Ireland ...

Cloudy, mostly d[ry] ... bright or clear peri[ods] ... W. to N.W. moderat[e] ... Max. 9C (48F).

Lakes, N.E. Eng., Bo[rders] ... burgh and E. Scot.: ...

Glasgow, A... Cloudy, mostly ... bright or clear pe[riods] ... N.W. fresh, locally ... 9C (48F).

Aberdeen, Cent. ... Moray Firth, N... Rather cloudy, longer spells of ra[in] ... few bright periods. ... fresh or strong, loc[ally] ... 8C (46F).

Caithness, Orkne[y] ... Rather cloudy, rai[n] ... bright periods. Win[d] ... locally gale at tim[es] ... (46F).

Outlook: Rather ... rain at times in N ... mostly dry in the ...

Lighting-up: Lon[don] ...

BUSINESS C[ENTRES]

	Y'day mid-day		
Amstrdm.	[illegible]	[illegible]	[illegible]
Bahrain	[illegible]	[illegible]	[illegible]
Beirut	[illegible]	[illegible]	[illegible]
Belfast	[illegible]	[illegible]	[illegible]
Belgrade	[illegible]	[illegible]	[illegible]
Berlin	[illegible]	[illegible]	[illegible]
Birmghm.	[illegible]	[illegible]	[illegible]
Bristol	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]
Budapest	[illegible]	[illegible]	[illegible]
B. Aires	[illegible]	[illegible]	[illegible]
Cairo	[illegible]	[illegible]	[illegible]
Cardiff	[illegible]	[illegible]	[illegible]
Cologne	[illegible]	[illegible]	[illegible]
Copnhagn.	[illegible]	[illegible]	[illegible]
Dublin	[illegible]	[illegible]	[illegible]
Edinb'rgh	[illegible]	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]	[illegible]
Geneva	[illegible]	[illegible]	[illegible]
Glasgow	[illegible]	[illegible]	[illegible]
Helsinki	[illegible]	[illegible]	[illegible]
H. Kong	[illegible]	[illegible]	[illegible]
Jo'burg	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]
Luxembrg.	[illegible]	[illegible]	[illegible]

HOLIDAY RES[ORTS]

	Y'day mid-day		
Ajaccio	[illegible]	[illegible]	[illegible]
Alexdria.	[illegible]	[illegible]	[illegible]
Algiers	[illegible]	[illegible]	[illegible]
Athens	[illegible]	[illegible]	[illegible]
Barcelona	[illegible]	[illegible]	[illegible]
Biarritz	[illegible]	[illegible]	[illegible]
Blackpool	[illegible]	[illegible]	[illegible]
Bordeaux	[illegible]	[illegible]	[illegible]
Boulogne	[illegible]	[illegible]	[illegible]
Casablnca.	[illegible]	[illegible]	[illegible]
Cape Tn.	[illegible]	[illegible]	[illegible]
Corfu	[illegible]	[illegible]	[illegible]
Faro	[illegible]	[illegible]	[illegible]
Florence	[illegible]	[illegible]	[illegible]
Funchal	[illegible]	[illegible]	[illegible]
Gibraltar	[illegible]	[illegible]	[illegible]
Guernsey	[illegible]	[illegible]	[illegible]
Innsbrck.	[illegible]	[illegible]	[illegible]
Inverness	[illegible]	[illegible]	[illegible]
I. of Man	[illegible]	[illegible]	[illegible]
Istanbul	[illegible]	[illegible]	[illegible]

S—Sunny, F—Fair, C—Cloudy, R—Rain, Sn—Snow.